Business Performance in FY2018-3rd Quarter

Mitsui O.S.K. Lines, Ltd.

January 31, 2019

HP

Contents

Note 1: Fiscal Year = from April 1 to March 31
Q1 = April to June
Q2 = July to September
Q3 = October to December
Q4 = January to March
Note 2: Amounts are rounded down to the nearest 100 million yen.
Note 3: Net income/loss = Profit/loss attributable to owners of parent

1. FY2018 3rd Quarter Results [Consolidated]

(¥ billion)	FY2018 Result				FY2017 Result				YoY	
	Q1	Q2	Q3	Apr.-Dec.	Q1	Q2	Q3	Apr.-Dec.		
Revenue	**304.4**	**315.4**	**322.3**	**942.2**	403.2	415.6	420.7	1,239.6	-297.4	-24%
Operating profit/loss	**3.6**	**11.0**	**14.9**	**29.6**	1.1	9.9	13.2	24.3	+5.3	+22%
Ordinary profit/loss	**0.2**	**10.0**	**14.4**	**24.6**	5.8	11.4	17.2	34.5	-9.8	-29%
Net income/loss	**-1.6**	**7.4**	**14.3**	**20.0**	5.2	7.8	16.1	29.2	-9.1	-31%
Average exchange rate	**¥107.95/$**	**¥110.99/$**	**¥112.53/$**	**¥110.49/$**	¥110.79/$	¥110.86/$	¥112.44/$	¥111.36/$	-¥0.87/$	-1%
Average bunker price*	**$438/MT**	**$479/MT**	**$478/MT**	**$464/MT**	$319/MT	$325/MT	$376/MT	$341/MT	+$123/MT	+36%

***Purchase Prices**

【Ordinary profit/loss】YoY Comparison (Major factors) (¥ billion)

Fluctuation of Foreign Exchange	**-0.6**	YoY	**¥0.87/$**	**Stronger**
Fluctuation of Bunker Price	**-16.6**	YoY	**$123/MT**	**Higher**
Fluctuation of Cargo Volume/Freight Rates, Others.	**+7.5**			
(Balance)	**-9.8**			

1. FY2018 3rd Quarter Results [By segment]

Upper	Revenue
Lower	Ordinary profit/loss

(¥ billion)	FY2018 Result Q1	FY2018 Result Q2	FY2018 Result Q3	FY2018 Result Apr.-Dec.	FY2017 Result Q1	FY2017 Result Q2	FY2017 Result Q3	FY2017 Result Apr.-Dec.	YoY	
Dry Bulk Business	**66.0**	**76.6**	**78.1**	**220.7**	69.3	64.2	66.7	200.2	+20.4	+10%
(excluding; Steaming Coal Carriers)	**3.8**	**4.8**	**8.5**	**17.2**	4.8	3.1	3.2	11.2	+6.0	+54%
Energy Transport Business	**64.7**	**70.7**	**78.2**	**213.8**	64.5	63.5	67.8	195.9	+17.8	+9%
(Tankers,Steaming Coal Carriers,LNG Carriers, Offshore business)	**3.1**	**4.8**	**5.7**	**13.7**	3.4	1.5	4.3	9.3	+4.4	+47%
Product Transport Business	**145.0**	**138.5**	**135.5**	**419.1**	242.3	261.2	259.2	762.9	-343.7	-45%
(PCC,Containerships,Ferries & Coastal RoRo Ships)	**-5.6**	**-2.9**	**-3.4**	**-12.0**	-4.9	5.2	4.6	4.8	-16.9	—
Containerships only	**82.4**	**64.5**	**67.7**	**214.7**	179.7	193.5	192.7	566.0	-351.3	-62%
	-4.7	**-5.3**	**-4.2**	**-14.2**	-6.2	2.1	3.7	-0.3	-13.8	—
Associated businesses	**24.9**	**25.3**	**25.8**	**76.0**	22.8	22.3	22.5	67.7	+8.2	+12%
(Real estate, Cruise ship, Tug boats, Trading, etc.)	**3.3**	**2.7**	**3.9**	**10.0**	3.7	2.9	3.5	10.2	-0.2	-2%
Others	**3.7**	**4.1**	**4.5**	**12.4**	4.1	4.2	4.4	12.7	-0.2	-2%
	0.6	**0.4**	**0.6**	**1.7**	1.1	0.0	1.0	2.3	-0.5	-24%
Adjustment	**—**	**—**	**—**	**—**	—	—	—	—	—	—
	-5.1	**0.0**	**-1.0**	**-6.1**	-2.4	-1.4	0.2	-3.5	-2.5	—
Consolidated	**304.4**	**315.4**	**322.3**	**942.2**	403.2	415.6	420.7	1,239.6	-297.4	-24%
	0.2	**10.0**	**14.4**	**24.6**	5.8	11.4	17.2	34.5	-9.8	-29%

Note 1: Revenues from customers, unconsolidated subsidiaries and affiliated companies.

2. Outline of FY2018 Q3 Results (I) [Consolidated]

[Overall]

◆ Ordinary profit ended with an upturn from the previous internal outlook (October 31).

← ONE's business performance improved, the dry bulker and tanker markets remained firm.

◆ ONE's services were stabilized. Utilization on both fronthaul and backhaul trades improved from Q2.

◆ Revenue for cumulative nine months ending in Q3 decreased by about ¥300 billion in a year-on-year comparison, as a result of the transfer of the containership business to ONE (equity-method company), offset by a increases in other business divisions.

[By Segment] [Ordinary profit for FY2018 Q1-3 (9 months) (year-on-year comparison)]

Dry Bulk Business [¥17.2 billion (+¥6.0 billion)]

➢ Vessels on spot contracts: The Capesize market declined drastically due to events such as the derailment of an iron ore train in Australia in November, but recovered afterward.

The markets for mid- and small-size vessels remained brisk overall, although the impact of the spot market was small due to the significant scale-down of our market exposure.

➢ Vessels on mid- and long-term contracts: Continued to secure stable profits for the transport of iron ore, coal, wood chips, etc.

⇒ Ordinary profit increased in a year-on-year comparison. Ended with a slight upturn from the previous internal outlook.

Energy Transport Business [¥13.7 billion (+¥4.4 billion)]

■ Tankers

➢ Crude oil tankers: The market remained at high levels amid the winter high-demand season, by increased volume of exports from West Africa and the U.S. as an alternative to Iranian oil (increase in ton-mile). Mid- and long-term contracts also underpinned profits.

➢ Product tankers: The market, which was sluggish in H1 turned toward recovery because of the strong crude oil tanker market's positive impact on the product tanker market, in addition to the winter demand season.

➢ Other: Methanol tankers and shuttle tankers continued to post stable profits.

⇒ Ordinary profit deteriorated in a year-on-year comparison, due in part to the impact of a sluggish market in the first half. It marked a slight upturn from the previous outlook.

2. Outline of FY2018 Q3 Results (II) [Consolidated]

■ LNG Carriers/Offshore Businesses

Recorded stable profits from mid-and long-term contracts. Profit significantly increased in a year-on-year comparison when a loss resulting from the disposal of vessels owned by an equity-method affiliated company was recorded.

Product Transport Business [- ¥12.0 billion (- ¥16.9 billion)]

■ Containerships [- ¥14.2 billion (- ¥13.8 billion)]

➢ ONE: Operational teething problems after the commencement of services have been resolved and services have stabilized. Utilization, which had been sluggish in H1, generally showed a significant recovery, though some Asia-Europe trades fell short of the Q3 target. Ended with an upturn from the previous internal outlook due in part to strong performance in freight rates on the Asia-North America Eastbound trade, despite a downward correction (an increase in cost) regarding H1 exchange gain.

➢ Other (besides ONE): Transitional costs related to the integration of the containership business decreased slightly from the previous internal outlook.

⇒ Ordinary loss decreased from the previous internal outlook, albeit recording a larger loss in a year-on-year comparison, due in part to transitional costs in FY2018.

■ Car Carriers

Cargo movement decreased in cross trade and backhaul trade, such as those to China (impact of China-U.S. trade friction) and from Europe (impact of new Worldwide harmonized Light vehicles Test Procedure (WLTP)). Ordinary profit deteriorated in a year-on-year comparison, due in part to the impact of additional costs stemming from quarantine issues on some routes (Q1), despite efforts on improvement of operational efficiency. Ended with a slight downturn from the previous internal outlook.

■ Ferries and Coastal RoRo Ships

Ordinary profit decreased in a year-on-year comparison, due to long-term docking associated with defects on some ferries and higher bunker prices, despite strong cargo traffic resulting from the advancement of Japan’s modal shift and a firm business environment, along with effective sales promotion of the Casual Cruise offerings.

3. FY2018 Full-year Forecast [Consolidated]

*as of Oct. 31,2018

(¥ billion)	FY2018 1st Half Result	FY2018 2nd Half Q3 Result	FY2018 2nd Half Q4 Forecast	FY2018 2nd Half Forecast	FY2018 Full-year Forecast	FY2018 Previous Forecast*	FY2018 Variance	FY2017 Full-year Result	Y o Y
Revenue	**619.8**	**322.3**	**267.7**	**590.1**	**1,210.0**	1,200.0	+10.0	1,652.3	-442.3
Operating profit/loss	**14.7**	**14.9**	**5.3**	**20.2**	**35.0**	30.0	+5.0	22.6	+12.3
Ordinary profit/loss	**10.2**	**14.4**	**3.3**	**17.7**	**28.0**	22.0	+6.0	31.4	-3.4
Net income/loss	**5.7**	**14.3**	**0.9**	**15.2**	**21.0**	17.0	+4.0	-47.3	+68.3
Average exchange rate	**¥109.47/$**	**¥112.53/$**	**¥110.00/$**	**¥111.27/$**	**¥110.37/$**	¥109.73/$	+¥0.64/$	¥111.08/$	-¥0.71/$
Average bunker price*	**$457/MT**	**$478/MT**	**$425/MT**	**$452/MT**	**$454/MT**	$469/MT	-$15/MT	$354/MT	+$100/MT

*Purchase Prices

(cf) FY2017 Result	1st Half	2nd Half Q3	2nd Half Q4	2nd Half	Full-year
Revenue	818.9	420.7	412.7	833.4	1,652.3
Operating profit/loss	11.1	13.2	-1.6	11.5	22.6
Ordinary profit/loss	17.3	17.2	-3.0	14.1	31.4
Net income/loss	13.1	16.1	-76.6	-60.5	-47.3
Average exchange rate	¥110.82/$	¥112.44/$	¥110.22/$	¥111.33/$	¥111.08/$
Average bunker price*	$322/MT	$376/MT	$396/MT	$386/MT	$354/MT

(cf)Sensitivity against Ordinary Profit

FY2018

FX Rate: **±¥ 0.18 bn/¥1/$**
(for 3 months)

Bunker Price: **±¥ 0.03 bn/$1/MT**
(for 3 months)

3. FY2018 Full-year Forecast [By segment]

Upper	Revenue
Lower	Ordinary profit/loss

*as of Oct. 31,2018

(¥ billion)	FY2018 1st Half Result	FY2018 Q3 Result	FY2018 Q4 Forecast	FY2018 2nd Half Forecast	FY2018 Full-year Forecast	FY2018 Previous Forecast*	FY2018 Variance	FY2017 Full-year Result	Y o Y
Dry Bulk Business	142.6	**78.1**	**69.2**	**147.3**	**290.0**	285.0	＋5.0	272.9	＋17.0
(excluding; Steaming Coal Carriers)	8.7	**8.5**	**3.7**	**12.2**	**21.0**	19.0	＋2.0	15.4	＋5.5
Energy Transport Business	135.5	**78.2**	**61.1**	**139.4**	**275.0**	270.0	＋5.0	262.2	＋12.7
(Tankers,Steaming Coal Carriers,LNG Carriers, Offshore business)	8.0	**5.7**	**3.2**	**8.9**	**17.0**	15.0	＋2.0	13.6	＋3.3
Product Transport Business	283.6	**135.5**	**110.8**	**246.3**	**530.0**	530.0	0	1,010.8	-480.8
(PCC,Containerships,Ferries & Coastal RoRo Ships)	-8.6	**-3.4**	**-3.9**	**-7.3**	**-16.0**	-18.0	＋2.0	-6.3	-9.6
Containerships only	146.9	**67.7**	**50.2**	**118.0**	**265.0**	265.0	0	749.7	-484.7
	-10.0	**-4.2**	**-3.7**	**-7.9**	**-18.0**	-20.0	＋2.0	-10.6	-7.3
Associated businesses	50.2	**25.8**	**23.9**	**49.7**	**100.0**	100.0	0	90.0	＋9.9
(Real estate, Cruise ship, Tug boats, Trading, etc.)	6.1	**3.9**	**1.9**	**5.8**	**12.0**	12.0	0	12.6	-0.6
Others	7.8	**4.5**	**2.5**	**7.1**	**15.0**	15.0	0	16.2	-1.2
	1.1	**0.6**	**0.2**	**0.8**	**2.0**	2.0	0	2.6	-0.6
Adjustment	-	**-**	**-**	**-**	**-**	-	-	-	-
	-5.0	**-1.0**	**-1.8**	**-2.9**	**-8.0**	-8.0	0	-6.5	-1.4
Consolidated	619.8	**322.3**	**267.7**	**590.1**	**1,210.0**	1,200.0	＋10.0	1,652.3	-442.3
	10.2	**14.4**	**3.3**	**17.7**	**28.0**	22.0	＋6.0	31.4	-3.4

Note 1: Revenues from customers, unconsolidated subsidiaries and affiliated companies.

(cf)FY2017 Result	1st Half	Q3	Q4	2nd Half	Full-year
Dry Bulk Business	133.5	66.7	72.6	139.3	272.9
(excluding; Steaming Coal Carriers)	7.9	3.2	4.1	7.4	15.4
Energy Transport Business	128.1	67.8	66.3	134.1	262.2
(Tankers,Steaming Coal Carriers,LNG Carriers, Offshore business)	4.9	4.3	4.2	8.6	13.6
Product Transport Business	503.6	259.2	247.9	507.2	1,010.8
(PCC,Containerships,Ferries & Coastal RoRo Ships)	0.2	4.6	-11.2	-6.6	-6.3
Containerships	373.2	192.7	183.6	376.4	749.7
	-4.1	3.7	-10.3	-6.5	-10.6
Associated businesses	45.2	22.5	22.3	44.8	90.0
(Real estate, Cruise ship, Tug boats, Trading, etc.)	6.7	3.5	2.3	5.9	12.6
Others	8.3	4.4	3.4	7.8	16.2
	1.2	1.0	0.2	1.3	2.6
Adjustment	-	-	-	-	-
	-3.8	0.2	-2.9	-2.6	-6.5
Consolidated	818.9	420.7	412.7	833.4	1,652.3
	17.3	17.2	△ 3.0	14.1	31.4

Note 1: Revenues from customers, unconsolidated subsidiaries and affiliated companies.

4. Key Points of FY2018 Forecast (I) [Consolidated]

[Overall]

◆ Ordinary profit: Upward revision from the previous outlook (October 31), because costs will decrease in Q4 due to the current drop in bunker prices as well as trend toward improvement in the containership business and a recovery in the tanker market.

◆ Revenue: Will decrease by about ¥440 billion (-27%) from the previous year due to the combination of a decrease resulting from the transfer of the containership business to ONE and increases in other business divisions.

◆ Summary of revision from the previous outlook:

	Previous (October 31, 2018)		Revised (January 31, 2019)
	H1 (results) / H2 / Full-year ordinary profits		H1 (results) / H2 / Full-year ordinary profits
Dry Bulk Business	¥ 8.7 / 10.2 / 19.0 billion	⇒	¥ 8.7 / 12.2 / 21.0 billion
Energy Transport Business	¥ 8.0 / 6.9 / 15.0 billion	⇒	¥ 8.0 / 8.9 / 17.0 billion
Product Transport Business	¥ -8.6 / -9.3 / -18.0 billion	⇒	¥ -8.6 / -7.3 / -16.0 billion
Total*	¥ 10.2 / 11.7 / 22.0 billion	⇒	¥ 10.2 / 17.7 / 28.0 billion

* Total including other segments and “Adjustments”

[By segment] [FY2018 forecast for ordinary profit (increase/decrease from the announcement on October 31)]

Dry Bulk Business [¥21.0 billion (+¥2.0 billion)]

The market is forecasted to soften due to seasonal factors. There is a concern that U.S.-China trade friction may affect market sentiment. On the other hand, MOL’s market exposure is small, especially with mid- and small size vessels. Also for Capesize vessels, exposure is limited to only five vessels in this remaining fiscal year.

⇒ Expecting to continually generate stable profits, increase profit from the previous fiscal year.

4. Key Points of FY2018 Forecast (II) [Consolidated]

Energy Transport Business [¥17.0 billion (+¥2.0 billion)]

■ Tankers

Markets for crude oil tankers and product tankers are expected to become relatively firm until the end of February, when the winter demand season winds down.

⇒ Profit will decrease in a year-on-year comparison due to the impact of the slow market in H1, though we will achieve some degree of profitability due in part to the contribution of stable profits from mid- and long-term contracts, in addition to the market recovery in H2.

■ LNG Carriers/Offshore Businesses

Ordinary profit will increase steadily as exiting projects begin operation. Projecting an increase from the previous year.

Product Transport Businesses [- ¥16.0 billion (+¥2.0 billion)]

■ Containerships [- ¥18.0 billion (+¥2.0 billion)]

Uncertainties regarding external factors such as China-U.S. trade friction and trends in the European economy are additionally and conservatively factored into Q4, though there are benefits from lower bunker prices as well as recovery of utilization. ONE's business performance is expected to be almost at the same level as the previous outlook, but the outlook for the segment is expected to improve from the previous outlook due to a decrease in MOL's transitional costs, etc.

■ Car Carriers

There are concerns about the impact of China-U.S. trade friction and WLTP on backhaul trade and cross trade, but we are continually striving to improve operational efficiency.

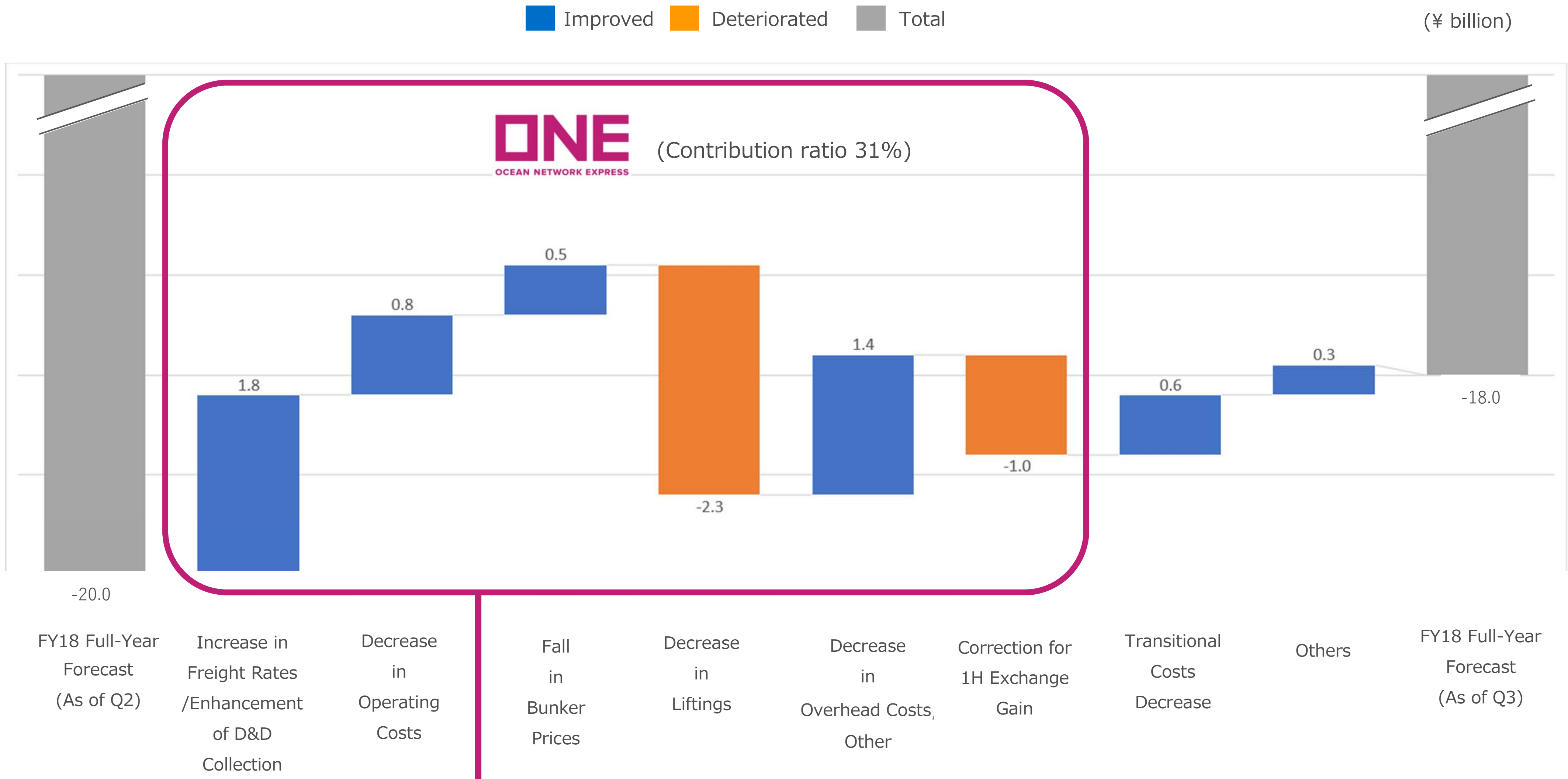
■ Ferries and Coastal RoRo Ships

Ordinary profit will decrease in a year-on-year comparison due to higher bunker prices and the impact of long-term sailing cancellations for some ferries.

[Dividend]

The dividend payment plan is unchanged from the previous announcement. Planning to pay a full-year dividend of ¥40 per share (already paid the interim dividend of ¥20 per share).

5. Differences in Containership Business Segment Forecast (Full-year)

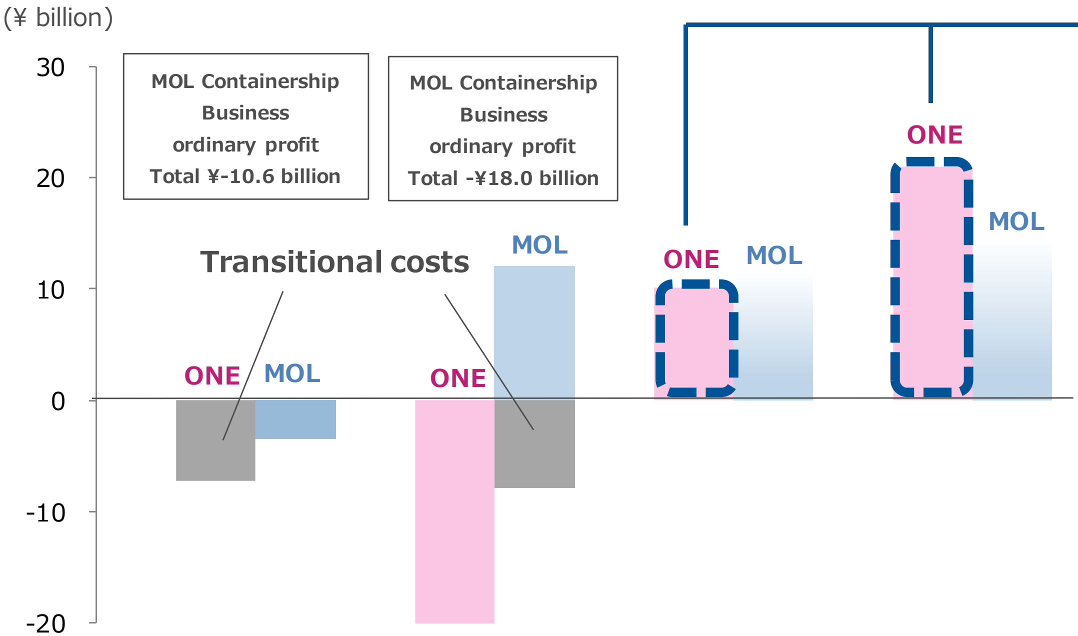


For details ⇒ ONE disclosure materials on P.27

Intentionally Blank

6. Plan to Improve Profitability in the Containership Business

MOL Containership Business ordinary profit = ONE: MOL's ONE-related equity in earnings of affiliates (31% of ONE's net profit and loss) + MOL: Ordinary profit excluding the above equity in earnings of affiliates (including terminal & logistics businesses, etc.)



Foreign Exchange	FY2017 Results	FY2018 Forecasts	FY2019 Plan	FY2020 Plan
	¥111.08/$	¥110.37/$	¥105.00/$	¥105.00/$

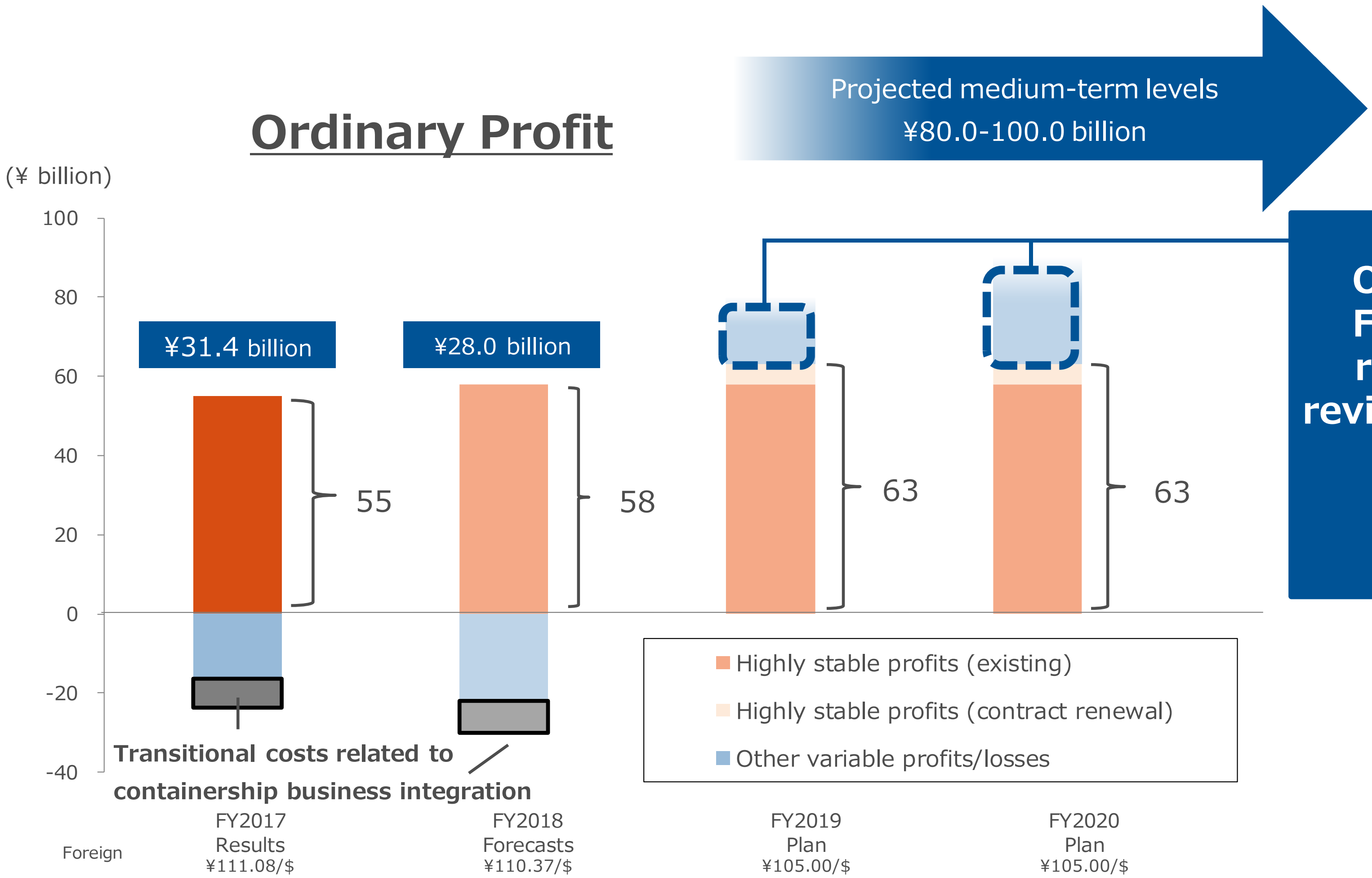
MOL's ONE-related equities in earnings affiliates for FY2019 & 2020 are to be re-examined basis ONE's review for their business plan.

(FY2019-2020 plan is as of Apr 27, 2018)

Note: FY2019-2020 plan is as of Apr 27, 2018

7. Roadmap to Profit Improvement

Rolling Plan 2018



Other Variable Profits for FY2019 & 2020 are to be re-examined basis ONE's review for their business plan.

(FY2019-2020 plan is as of Apr 27, 2018)

Highly Stable Profits + Other Variable Profits (Losses) = Ordinary Profits (Total)

Highly stable Profits: Dry bulkers/Tankers (medium- to long-term contracts), LNG carriers/Offshore businesses, and Associated Businesses

Other variable profits (losses): Dry bulkers/Tankers (spot operations), Car carriers, Containerships, Terminals & Logistics, and Ferries / Coastal RoRo ships

Note: FY2019-2020 plan is as of Apr 27, 2018

Dry Bulker Market (Spot Charter Rate) [Supplement #1]

1. FY2017 (Result)

(US$/day)

Size	FY2017						
	1st Half			2nd Half			Full-year
Market for vessels operated by MOL	Apr-Sep, 2017			Oct, 2017 - Mar, 2018			Average
	Apr-Jun	Jul-Sep		Oct-Dec	Jan-Mar		
Capesize	**12,000**	**14,700**	**13,300**	**23,000**	**13,000**	**18,000**	**15,700**
Panamax	**8,800**	**10,100**	**9,500**	**11,900**	**11,500**	**11,700**	**10,600**
Handymax	**8,800**	**9,500**	**9,200**	**11,000**	**10,700**	**10,900**	**10,000**
Small handy	**7,300**	**7,400**	**7,300**	**9,400**	**8,500**	**8,900**	**8,100**
Market for vessels operated by overseas subsidiaries of MOL	Jan-Jun, 2017			Jul-Dec, 2017			Average
	Jan-Mar	Apr-Jun		Jul-Sep	Oct-Dec		
Capesize	**11,200**	**12,000**	**11,600**	**14,700**	**23,000**	**18,800**	**15,200**

2. FY2018 (Result/Forecast)

(US$/day)

Size	FY2018						
	1st Half			2nd Half			Full-year
Market for vessels operated by MOL	Apr-Sep, 2018			Oct, 2018 - Mar, 2019			Average
	Apr-Jun	Jul-Sep		Oct-Dec	Jan-Mar		
Capesize	**15,000**	**22,200**	**18,600**	**15,800**	**13,000**	**14,400**	**16,500**
Panamax	**10,500**	**12,100**	**11,300**	**12,400**	**10,000**	**11,200**	**11,300**
Handymax	**11,500**	**11,900**	**11,700**	**11,900**	**11,000**	**11,400**	**11,600**
Small handy	**8,800**	**8,300**	**8,500**	**9,300**	**8,500**	**8,900**	**8,700**
Market for vessels operated by overseas subsidiaries of MOL	Jan-Jun, 2018			Jul-Dec, 2018			Average
	Jan-Mar	Apr-Jun		Jul-Sep	Oct-Dec		
Capesize	**13,000**	**15,000**	**14,000**	**22,200**	**15,800**	**19,000**	**16,500**

Note 1: The general market results are shown in black.

Note 2: The forecasts are shown in blue. These are referential charter rates for estimating P/L of free vessels that operates on spot contracts (contract period of less than two years). In case rates have already been agreed, however, such agreed rates are reflected on P/L estimation of the relevant voyages.

Note 3: Market for vessels operated by our overseas subsidiaries is shown on Calendar year basis (Jan-Dec), because their fiscal year ends in Dec. and thus their P/L are consolidated three months later.

Note 4: Market for Capesize=5TC Average(changed on and after FY2014 financial announcement), Panamax= 4TC Average, Handymax= 5TC Average, Small handy= 6TC Average.

Tanker Market (Spot Earning) [Supplement #2]

1. FY2017 (Result)

(US$/day)

Vessel Type	Trade	FY2017						
		H1			H2			Full-year
Market for vessels operated by MOL		Apr-Sep, 2017			Oct, 2017 - Mar, 2018			Average
		Apr-Jun	Jul-Sep		Oct-Dec	Jan-Mar		
Crude Oil Tanker	Arabian Gulf - Far East	**20,500**	**9,700**	**15,100**	**19,700**	**8,400**	**14,000**	**14,600**
Product Tanker (MR)	Main 5 Trades	**9,100**	**10,300**	**9,700**	**11,300**	**10,400**	**10,900**	**10,300**
Market for vessels operated by overseas subsidiaries of MOL		Jan-Jun, 2017			Jul-Dec, 2017			Average
		Jan-Mar	Apr-Jun		Jul-Sep	Oct-Dec		
LPG Tanker (VLGC)	Arabian Gulf - Japan	**17,400**	**17,500**	**17,400**	**9,100**	**16,000**	**12,500**	**15,000**

(Source)Product Tanker and LPG Tanker: Clarkson Research Services Limited

2. FY2018 (Result/Forecast)

(US$/day)

Vessel Type	Trade	FY2018						
		H1			H2			Full-year
Market for vessels operated by MOL		Apr-Sep, 2018			Oct, 2018 - Mar, 2019			Average
		Apr-Jun	Jul-Sep		Oct-Dec	Jan-Mar		
Crude Oil Tanker	Arabian Gulf - Far East	**9,400**	**14,100**	**11,800**	**46,600**	**26,000**	**36,300**	**24,000**
Product Tanker (MR)	Main 5 Trades	**8,200**	**6,300**	**7,200**	**12,000**			
Market for vessels operated by overseas subsidiaries of MOL		Jan-Jun, 2018			Jul-Dec, 2018			Average
		Jan-Mar	Apr-Jun		Jul-Sep	Oct-Dec		
LPG Tanker (VLGC)	Arabian Gulf - Japan	**14,900**	**9,100**	**12,000**	**23,300**	**26,100**	**24,700**	**18,300**

(Source)Product Tanker and LPG Tanker: Clarkson Research Services Limited

Note 1: The general market results are shown in black.

Note 2: The forecasts are shown in blue. These are referential WS for estimating P/L of free vessels that operates on spot contracts (contract period of less than two years). In case rates have already been agreed, however, such agreed rates are reflected on P/L estimation of the relevant voyages.

Note 3: VLCC Market is for Arabian Gulf - China trade.

Note 4: Product Tanker market is simple average of main 5 trades: Europe - US, US - Europe, Singapore - Australia, South Korea - Singapore, and India - Japan.

Note 5: LPG Tankers are operated by our overseas subsidiaries and the market is shown on Calendar year basis (Jan-Dec), because their fiscal year ends in Dec. and thus their P/L are consolidated three months later.

Containerized Freight Index (CCFI*) [Supplement #3]

1. FY2017 (Result)

(Jan 1, 1998=1,000)

Trade	FY2017						
	1st Half Apr-Sep, 2017			2nd Half Oct, 2017 - Mar, 2018			Full-year Average
	Apr-Jun	Jul-Sep		Oct-Dec	Jan-Mar		
U.S. West Coast	622	643	632	615	631	623	628
U.S. East Coast	848	851	850	780	870	825	837
Europe	1,086	1,124	1,105	1,016	1,084	1,050	1,078
South America	750	851	800	757	749	753	777

2. FY2018 (Result)

(Jan 1, 1998=1,000)

Trade	FY2018						
	1st Half Apr-Sep, 2018			2nd Half Oct, 2018 - Mar, 2019			Full-year Average
	Apr-Jun	Jul-Sep		Oct-Dec	Jan-Mar		
U.S. West Coast	620	711	665	812			
U.S. East Coast	840	896	868	991			
Europe	1,008	1,083	1,045	1,021			
South America	546	642	594	576			

***China Containarized Freight Index**

Car Carrier Loading Volume

[Supplement #4]

1. FY2017 (Result)

(1,000 units)

(Completed-voyage basis / including voyage charter)	FY2017						
			1st Half			2nd Half	Total
	Q1	Q2		Q3	Q4		
Total	1,034	1,137	2,172	1,095	1,130	2,225	4,397

2. FY2018 (Result/Forecast)

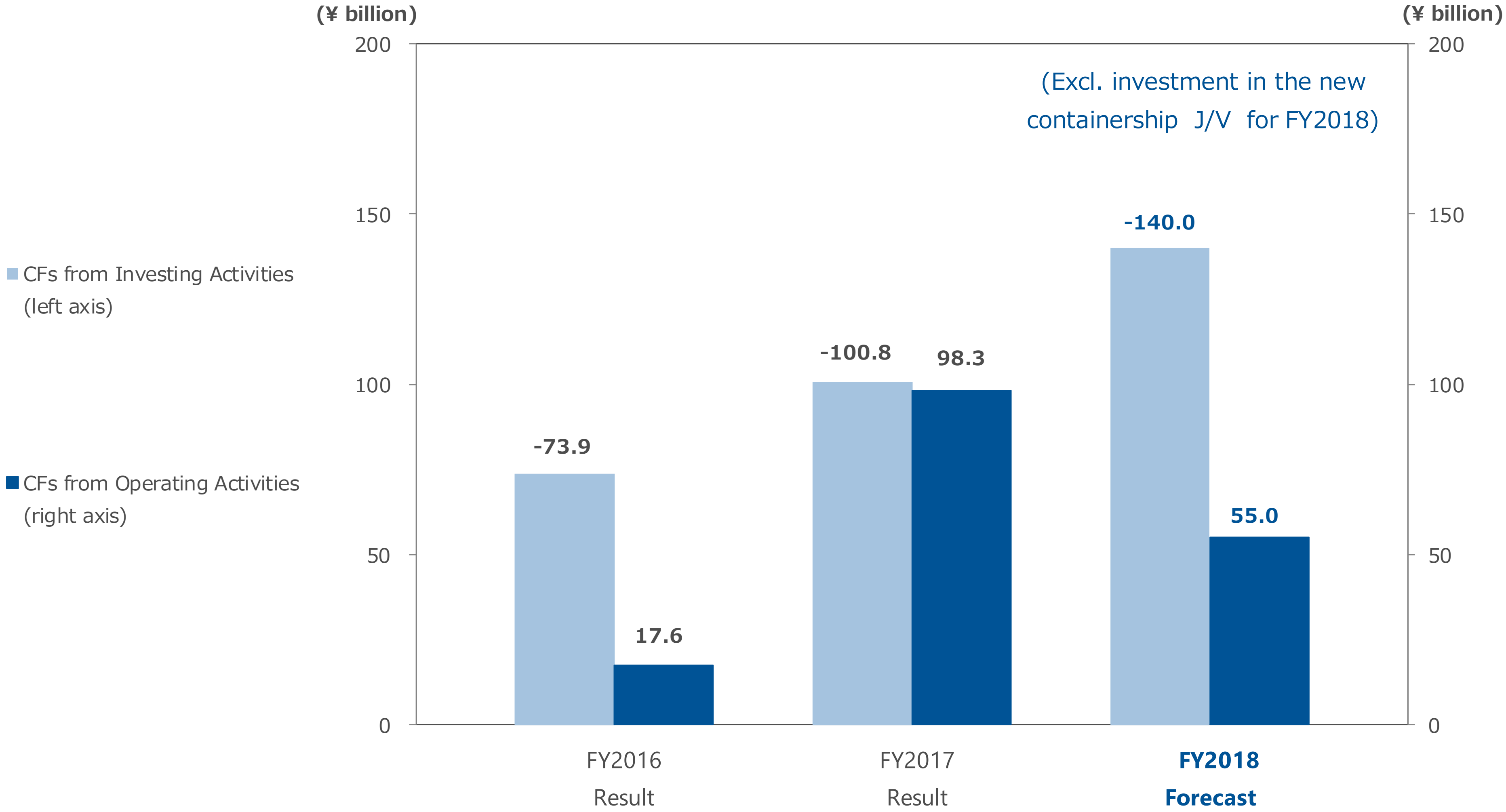
(1,000 units)

(Completed-voyage basis / including voyage charter)	FY2018						
			1st Half			2nd Half	Total
	Q1	Q2		Q3	Q4		
Total	1,098	1,130	2,229	975	1,024	1,999	4,228

*The forecasts are shown in blue.

Cash Flows

[Supplement #5]



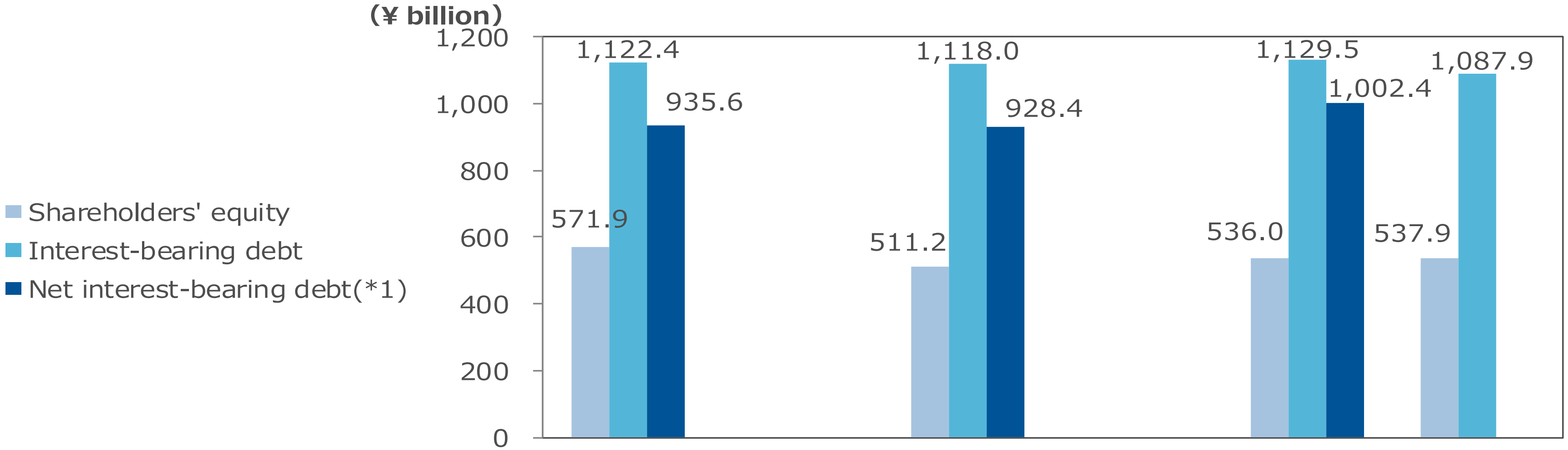
	FY2016 Result	FY2017 Result	**FY2018 Forecast**
Ordinary Profit/Loss(￥bn)	25.4	31.4	**28.0**
Profit/Loss Attributable to Owners of Parent(￥ bn)	5.2	-47.3	**21.0**
Ave. Exchange Rate	¥108.57/$	¥111.08/$	**¥110.37/$**

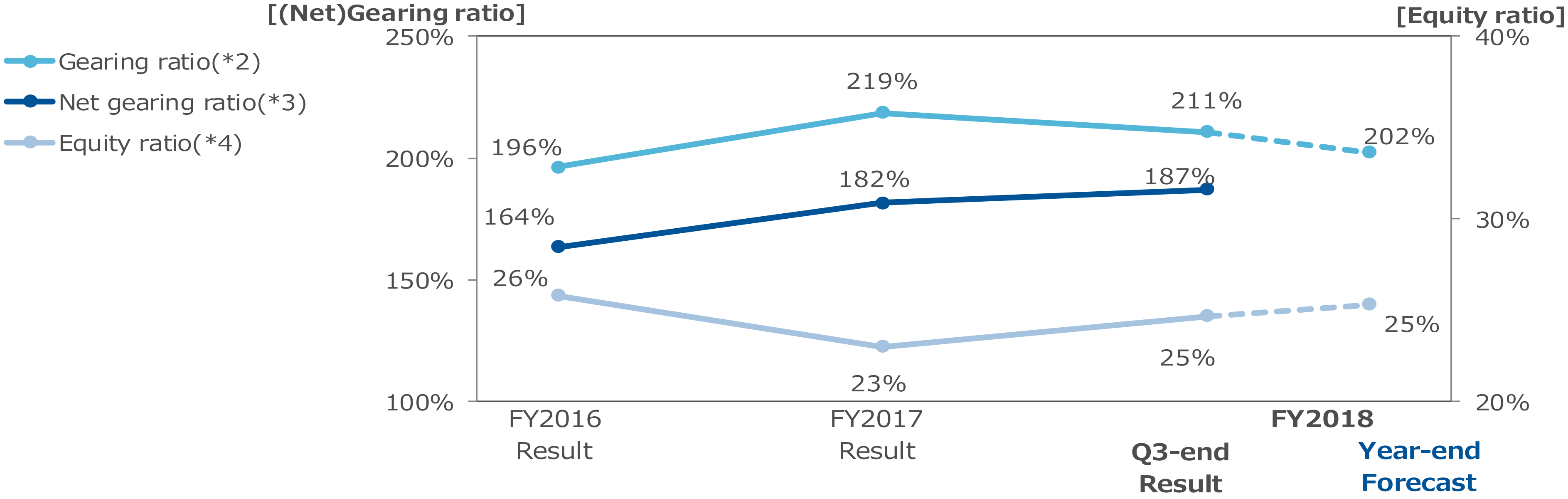
Note1: Free Cash Flows (FCFs) = CFs from Operating Activities – CFs from Investing Activities

Note2: CFs from Investing Activities are "net" figures. (Gross Investments – Sales of Assets, etc)

Financial Plan

[Supplement #6]





(Term-end Exchange Rate)	FY2016 Result	FY2017 Result	FY2018 Q3-end Result	FY2018 Year-end Forecast
MOL	¥112.19/$	¥106.24/$	**¥111.00/$**	**¥110.00/$**
Overseas Subsidiaries	¥116.49/$	¥113.00/$	**¥113.57/$**	**¥111.00/$**

(*1) Interest-bearing debt – Cash & cash equivalents (*2) Interest-bearing debt / Shareholders's equity
(*3) Net interest-bearing debt / Shareholders's equity (*4) Shareholders's equity / Total assets

Fleet Composition (incl. Offshore business) [Supplement #7]

			31-Mar, 2018	30-Sep, 2018	31-Dec, 2018	31-Dec, 2018 1,000dwt	31-Mar, 2019 (Forecast)
Dry Bulk Business	Capesize		88	87	87	17,142	
	Small and medium-sized bulkers	Panamax	26	27	22	1,810	
		Handymax	54	52	52	2,872	
		Small Handy	28	33	29	1,019	
		(Sub total)	108	112	103	5,701	
	Wood chip carriers		39	39	39	2,160	
	Short sea ships		61	58	47	889	
	(Sub total)		296	296	276	25,891	274
		(Market Exposure)	**(71)**	**(76)**	-	-	**(74)**
Energy Transport Business	Tankers	Crude oil tankers	39	38	41	11,023	
		Product tankers	39	34	32	1,955	
		Chemical tankers (incl. Methanol tankers)	87	92	88	2,724	
		LPG tankers	8	8	8	447	
		(Sub total)	173	172	169	16,150	
	Steaming coal carriers		41	48	46	4,180	
	(Sub total)		214	220	215	20,330	202
		(Market Exposure)	**(84)**	**(81)**	-	-	**(80)**
	LNG carriers (incl. Ethane carriers)		83	85	89	7,115	90
	Offshore	FPSO	5	6	6	-	6
		FSRU	1	1	1	152	1
		Subsea support vessels	1	1	3	27	3
	Coastal ships (excl. Coastal RoRo ships)		30	31	31	102	31
Product Transport Business	Car carriers		119	119	113	1,873	113
	Ferries & Coastal RoRo ships		14	15	15	84	16
Associated Businesses and Others	Cruise ships		1	1	1	5	1
	Others		2	2	2	13	2
Sub total			766	777	752	55,592	739
Product Transport Business	Containerships		91	72	67	6,001	65
Total			857	849	819	61,593	804

Note 1: Including spot-chartered ships and those owned by joint ventures

Note 2: "Market Exposure"=Vessels operating under contracts less than two years, which are owned or mid-and long-term chartered vessels.

Note 3: Containerships are operated by ONE after Apr, 2018.

Note 4: Vessels of Nordic Tankers, which MOL Chemical Tankers agreed to acquire 100% shares of at the beginning of February, 2019 are not included in above.

LNG Carriers and Offshore businesses: Signed Contracts

[Supplement #8]

LNG Carriers

No.	Customer	Route	2014	2015	2016	2017	2018	2019	2020	2021 (FY)
1	Osaka Gas	ex.Australia								
2	Osaka Gas	ex.Australia								
3	Osaka Gas/Kyushu Electric Power	ex.Australia								
4	Osaka Gas	ex.USA								
5	JERA	ex.Australia								
6	JERA	ex.USA								
7	JERA	ex.USA								
8	Kansai Electric Power	ex.Australia								
9	Kansai Electric Power	ex.Australia								
10	Tokyo Gas	ex.USA								
11	Tokyo Gas	ex.USA								
12	Tokyo Gas	ex.USA								
13	Mitsui	ex.USA								
14	Mitsui	ex.USA	To JAPAN							
15	Mitsui	ex.USA								
16	ExxonMobil	ex.Australia								
17	ExxonMobil	ex.Australia								
18	ExxonMobil	ex.PNG								
19	ExxonMobil	ex.PNG								
20	SINOPEC	ex.Australia								
21	SINOPEC	ex.Australia								
22	SINOPEC	ex.Australia								
23	SINOPEC	ex.Australia								
24	SINOPEC	ex.Australia								
25	SINOPEC	ex.Australia								
26	Yamal(Ice Class)	ex.Russia								
27	Yamal(Ice Class)	ex.Russia								
28	Yamal(Ice Class)	ex.Russia								
29	Yamal	ex.Europe								
30	Yamal	ex.Europe								
31	Yamal	ex.Europe	To CHINA							
32	Yamal	ex.Europe								
33	Petronet	ex.Australia	To INDIA							
34	Uniper	ex.USA	To Europe and others							
35	Uniper	ex.USA								

※Underline is under operation

Offshore Businesses

No.	Customer	Location	2014	2015	2016	2017	2018	2019	2020	2021 (FY)
1	Petrobras	Brazil								
2	Petrobras	Brazil								
3	Petrobras	Brazil								
4	Petrobras	Brazil								
5	Petrobras	Brazil								
6	Petrobras	Brazil	FPSO*							
7	Tullow Ghana	Ghana								
8	MOL FSRU Challenger	Turkey	FSRU							
		Hong Kong								
9	SWAN LNG	India								
10	SWAN LNG	India	FSU							
11	Jawa 1	Indonesia	FSRU							

(*)FPSO: Total 8units, including one which commenced operation since FY2010

Ethane Carriers

No.	Customer	Route	2014	2015	2016	2017	2018	2019	2020	2021 (FY)
1	Reliance	ex.USA								
2	Reliance	ex.USA								
3	Reliance	ex.USA	To INDIA							
4	Reliance	ex.USA								
5	Reliance	ex.USA								
6	Reliance	ex.USA								

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Financial Results for FY2018 3rd Quarter

JAN. 31, 2019

FY2018 Q3 Financial Results/Forecasts

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Q3 Results/Full-year Forecast, and Comparison with Previous Forecasts

(Unit: US$ million) *as of Oct 2018

	FY2018 Previous Forecasts*							FY2018 Latest Forecasts							Full Year	
	Q1 Results	Q2 Results	H1 Results	Q3 Forecast	Q4 Forecast	H2 Forecast	Full Year Forecast	Q1 Results	Q2 Results	H1 Results	Q3 Results	Q4 Forecast	H2 Forecast	Full Year Forecast	Change	Change (%)
Revenue	2,066	2,963	5,030	2,982	2,988	5,970	11,000	2,066	2,963	5,030	3,025	2,830	5,855	10,885	-115	-1.0%
Profit/Loss	-120	-192	-311	-218	-71	-289	-600	-120	-192	-311	-179	-104	-283	-594	6	-1.0%
Bunker Price (US$/MT)	$407.00	$457.00	$434.00	$466.00	$466.00	$466.00	$451.00	$407.00	$457.00	$434.00	$487.00	$417.00	$453.00	$444.00	-$7.00	

❑ **Sensitivity on Profit/Loss:**
Bunker Price ±US$ 6Million per US$10/MT (For Remaining 3 months/Max)

Profit/Loss Summary

Q3 Results: Ended with a -US$179 million loss, an improvement from an anticipated -US$218 million loss in the previous forecasts (announced on October 31). Utilization recovered significantly from H1 despite a slight shortfall in the previous outlook. Freight rates on Asia-North America Eastbound remained at high levels and contributed to the improvement in Q3 results. Actions aimed at boosting profitability also showed certain results. Cost reduction from the declining bunker prices was yet to contribute in Q3.

Q4/Full-year Forecasts: Updated Q4 forecasts conservatively factor in uncertainties in the external environment, such as the effects of China-U.S. trade friction, the European economy, and the impact of China's environmental protection laws on backhaul trades. The full-year net loss is projected at -US$594 million, the same level of the previous forecasts.

Liftings/Utilization/Freight Index

Liftings/Utilization by Trade

(Unit: 1,000 TEU)

Liftings/Utilization by Trade		FY2018 Q1 Results	FY2018 Q2 Results	FY2018 H1 Results	FY2018 Q3 Results
Asia-North America Eastbound	Liftings	530	761	1,291	746
	Utilization	73%	90%	82%	95%
Asia-Europe Westbound	Liftings	312	478	790	442
	Utilization	73%	90%	82%	92%

Asia-North America Westbound	Liftings	218	285	502	320
	Utilization	33%	33%	33%	40%
Asia-Europe Eastbound	Liftings	194	263	457	315
	Utilization	48%	47%	48%	62%

Freight Index by Trade

(Unit: 100 = FY2018 Q1 average)

Freight Index by Trade	FY2018 Q1 Results	FY2018 Q2 Results	FY2018 H1 Results	FY2018 Q3 Results
Asia-North America Eastbound	100	101	101	108
Asia-Europe Westbound	100	106	104	100

Overview by Route

- **Asia-North America Eastbound: Demand in October and November (usually a slow season following China's National Day) was stronger than usual, due in part to the impact of last-minute demand to avoid new U.S. tariffs on Chinese products. The tight demand and supply balance continued as frequencies of the service were reduced, and liftings and freight rates remained at high levels, higher than Q2.**
- **Asia-Europe Westbound: Liftings dropped as they typically do every year during the slow season (October and November after China's National Day), but demand recovered from December to year-end/before Chinese New Year. Ships continued to depart with almost full loads. Though freight rates, which had dropped since October did not collapse, their upturn was limited despite December's increase in demand.**
- **Asia-North America Westbound/Asia-Europe Eastbound: Liftings and utilization increased significantly from Q2, and freight rates remained stable. Efforts continued to enhance yield management and increase utilization.**

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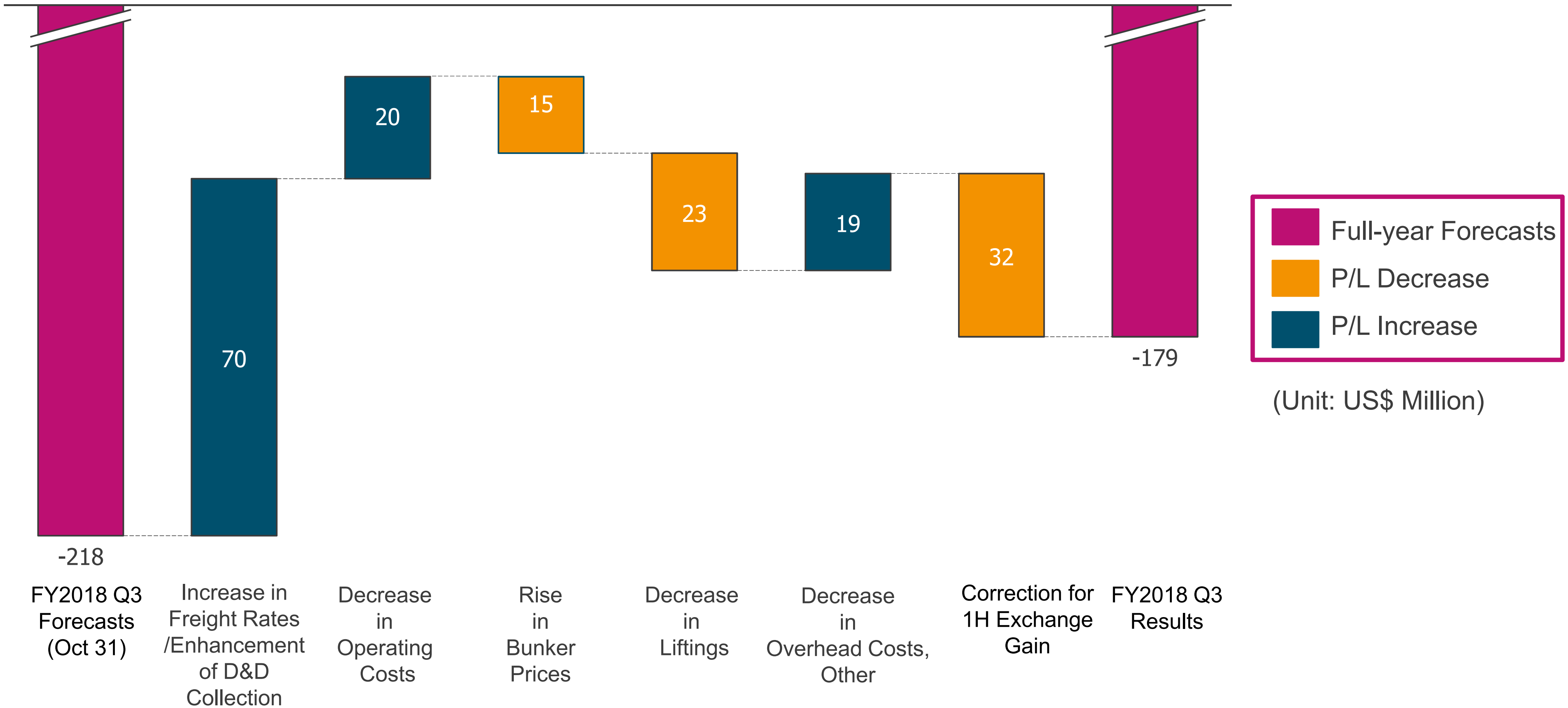
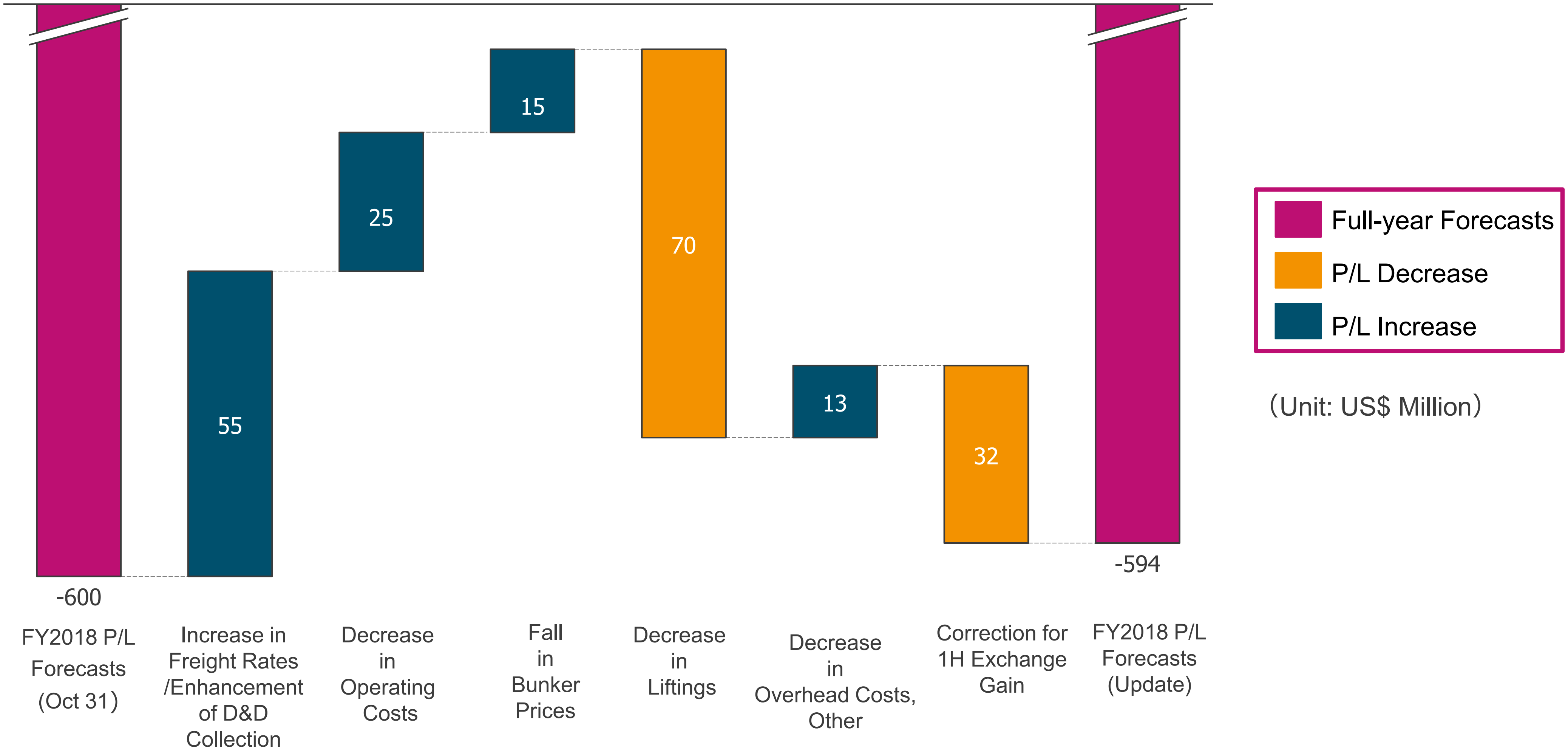
FY2018 Q3 P/L Analysis (vs. Previous Forecasts)



(Unit: US$ Million)

Spot freight rates on the Asia-North America Eastbound trade remained higher than the assumption, and collection of detention and demurrage was enhanced. Operating costs dropped due to cancellation of some sailings in response to lower demand around China's National Day. Bunker costs increased due to rising bunker prices during the first half of Q3. Liftings were slightly short of targets, particularly on Asia-Europe routes. A temporary adjustment occurred in exchange gain in H1.

FY2018 Annual P/L Analysis (vs. Previous Forecasts) -1/2



(Unit: US$ Million)

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FY2018 Annual P/L Variance Analysis (vs. Previous Forecasts) - 2/2

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Variance Factor Analysis

Increase in Freight Rates /Enhancement of Detention & Demurrage Collection	Freight rates on Asia-North America routes relatively remained strong in Q3 due to last-minute demand before U.S. tariffs were raised, but those on Asia-Europe routes weakened. The impact of external factors such as China-U.S. trade friction was included in Q4 outlook. Detention & Demurrage collection amounts increased, remaining at higher levels than the previous outlook (announced on October 31).
Decrease in Operating Costs	Flexibly reduced frequencies of the service to meet decreased demand amid the impact of worse-than-expected dense fog and congestion in East China and North China regions. Operating costs are expected to be slightly lower than the previous outlook.
Fall in Bunker Prices	Reflected fall in bunker prices from late Q3. Reviewed projected unit price for H2: $466 ➔ $453 Reviewed projected unit price for full year: $451 ➔ $444
Decrease in Liftings	Utilization in Q3 increased to 95% on Asia-North America Eastbound and 92% on Asia-Europe Westbound, achieving the same level as those of the three parent companies before integration. However, liftings in Q4 are expected to show a slight decrease due to seasonal factors. In general, liftings have been increased, but external factors after Chinese New Year were re-estimated and factored into Q4 outlook.
Decrease in Overhead Costs, Other	Overhead costs decreased. Targeting transfer of overseas terminal businesses from each of the parent companies within FY2018.
Correction for 1H Exchange Gain	Adjustment in exchange rate loss for H1 was recorded in Q3. (-US$32 million) as temporary factor.

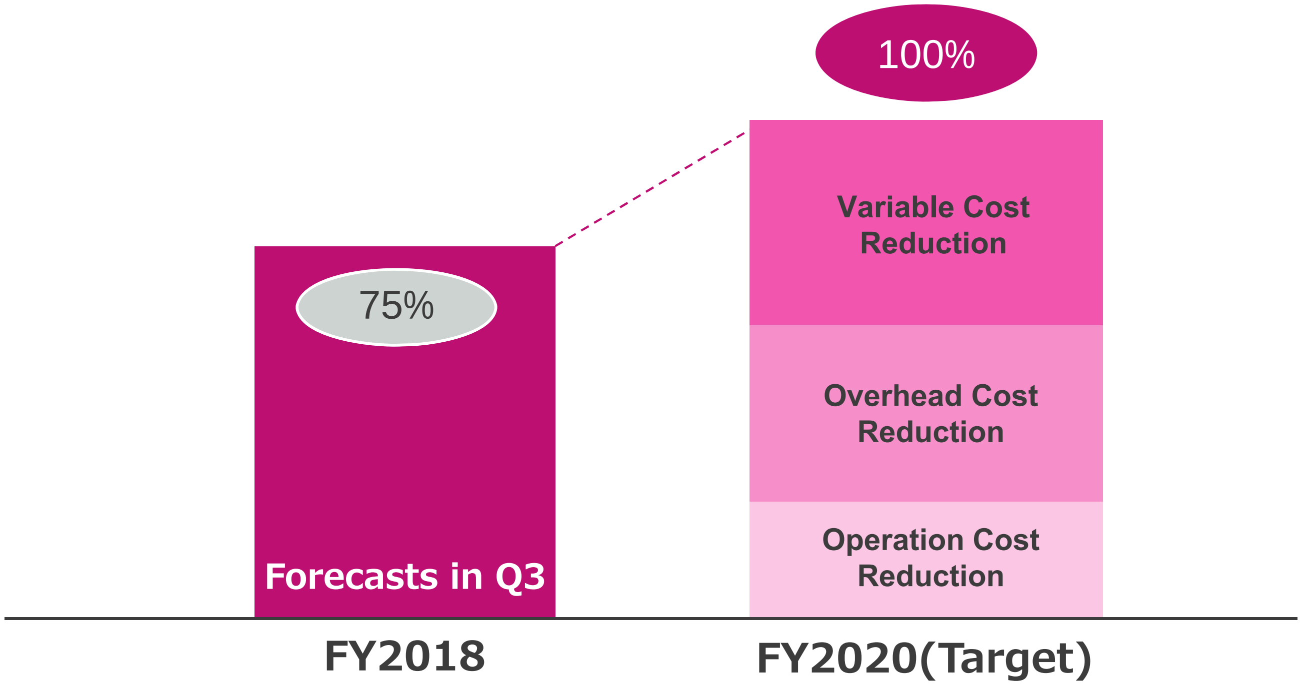
Full-year P/L is projected -US$594 million loss, the same level as the previous forecasts.

Integration Synergy Update

From initial integration synergy forecast of US$1,050 million, 75% of the synergistic effects is expected to emerge for the 1st year. (No change from the previous forecasts.)

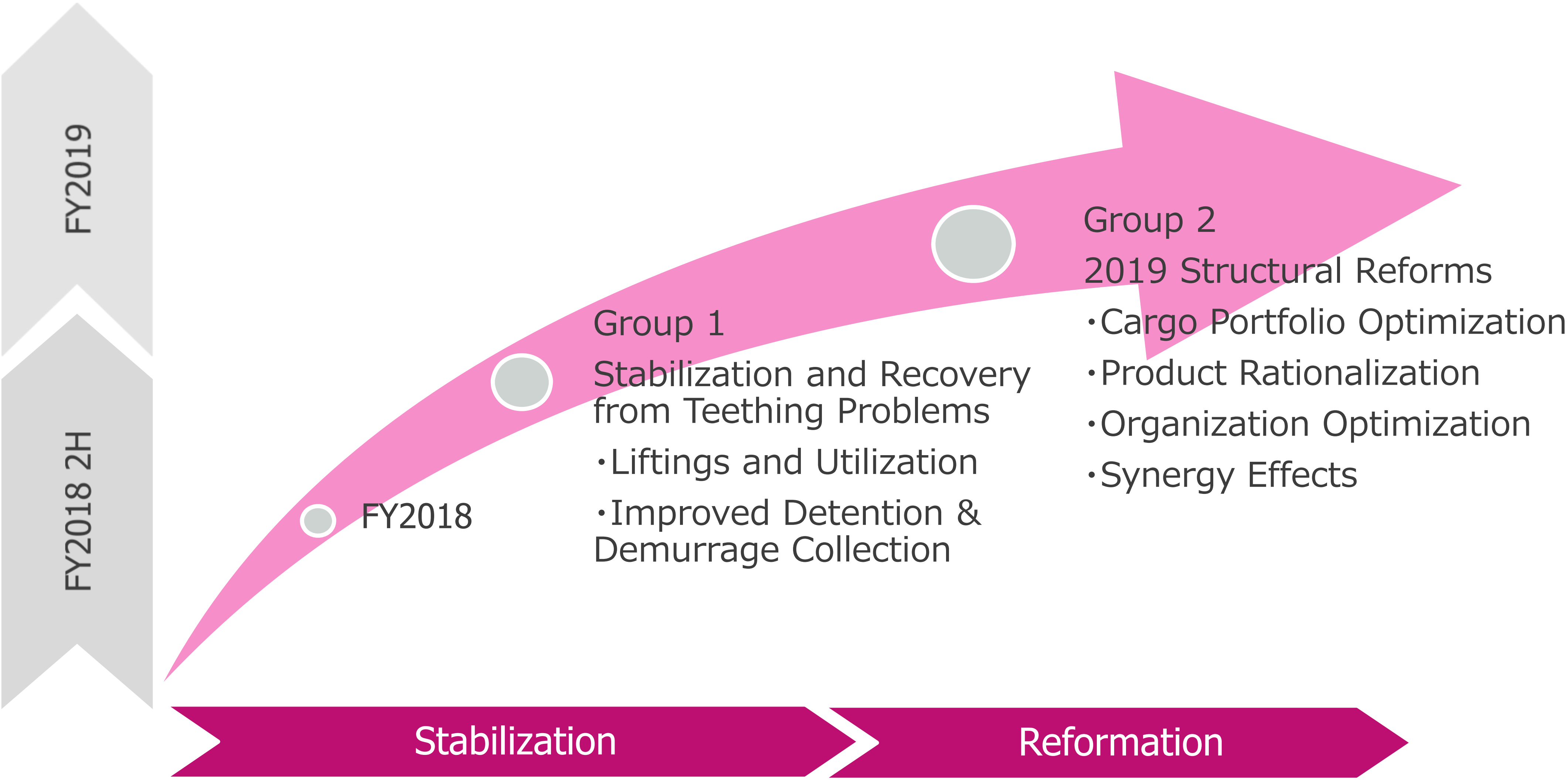
- **Break-down of the synergistic effect US$1,050 million is as follows :**
  - Variable Cost Reduction ・・・US$430 million : Rail, Truck Feeder, Terminal Equipment, etc.
  - Overhead Cost Reduction ・・・US$370 million : IT cost, Rationalization of Organization, Outsourcing, etc.
  - Operation Cost Reduction ・・・US$250 million : Bunker consumption, product rationalization, etc.

Achievement ratio against the initial target



Action Plans for Profit Improvement - 1/2

Establish an organization that can tolerate market volatility by stabilizing initial setup challenges and accomplishing significant structural reformation.



Action Plans for Profit Improvement - 2/2

Stabilization and Recovery from Teething Problems

Group 1	Recovery of Liftings and Utilization	Utilization showed a significant recovery, due in part to efforts to flexibly reduce frequencies. Liftings on Asia-North America Westbound/Asia-Europe Eastbound trades, which are to be addressed, also show a recovery trend.
	Enhancement of Detention & Demurrage Collection	Collected Detention & Demurrage at higher level of the target.

Action Plans toward FY2019

Group 2	Cargo Portfolio Optimization	Improve profit by optimizing match back cargo plans. Optimize cargo portfolio through tender negotiations for 2019.
	Product Rationalization	Product restructuring including The Alliance has moved ahead step by step, as announced in press releases. Further enhance the bunker saving project, in terms of not only cost saving but also to reduce environmental impact.
	Organization Optimization	Further optimize organization and systems toward the establishment of a more efficient, more competitive structure, by reviewing the overall organization. Study measures to save labor in operations by strengthening e-commerce and introducing robotics and other technologies.
	Synergistic Effects	Some 75% of the synergistic effects will emerge in FY2018, the first year after integration. The synergistic effects in FY2020, the third year after integration, are expected to be at 100%.

Ocean Network Express

Fleet Structure

as of end of 3Q	Size		Combined
	>= 20,500 TEU	Capacity (TEU)	120,600
		Vessels	6
	10,500 - 20,500 TEU	Capacity (TEU)	307,000
		Vessels	22
	9,800 - 10,500 TEU	Capacity (TEU)	100,100
		Vessels	10
	7,800 - 9,800 TEU	Capacity (TEU)	330,856
		Vessels	37
	6,000 - 7,800 TEU	Capacity (TEU)	266,139
		Vessels	41
	5,200 - 6,000 TEU	Capacity (TEU)	84,170
		Vessels	15
	4,600 - 5,200 TEU	Capacity (TEU)	132,624
		Vessels	27
	4,300 - 4,600 TEU	Capacity (TEU)	71,816
		Vessels	16
	3,500 - 4,300 TEU	Capacity (TEU)	29,691
		Vessels	7
	2,400 - 3,500 TEU	Capacity (TEU)	60,952
		Vessels	23
	1,300 - 2,400 TEU	Capacity (TEU)	16,993
		Vessels	10
	1,000 - 1,300 TEU	Capacity (TEU)	6,449
		Vessels	6
	< 1,000 TEU	Capacity (TEU)	2,106
		Vessels	3
	Total	**Capacity (TEU)**	**1,529,496**
		Vessels	**223**