

Mitsui O.S.K. Lines, Ltd.

Financial Highlights: The Second Quarter Ended September 30, 2014

1. Consolidated Financial Highlights (from April 1, 2014 to September 30, 2014)

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

(1) Operational Results

	(¥ Million)		(US\$ Thousand)
	Q2/FY2014	Q2/FY2013	Q2/FY2014
Revenues	890,158	845,175	8,133,011
Operating income	4,227	21,792	38,620
Ordinary income	14,561	25,688	133,038
Net income	11,520	21,139	105,254
	(¥)		(US\$)
Net income per share	9.63	17.68	0.088
Diluted net income per share	9.04	17.67	0.083

(2) Financial Position

	(¥ Million)		(US\$ Thousand)
	Q2/FY2014	FY2013	Q2/FY2014
Total Assets	2,369,638	2,364,695	21,650,416
Total Net Assets	780,849	783,549	7,134,299
Shareholders' Equity / Total assets	28.6%	28.7%	

* Shareholders' Equity is defined as follows.

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

2. Dividends

	(¥)				
	Dividend per share				
	Q1	Q2	Q3	Year end	Total
FY2013	—	2.00	—	3.00	5.00
FY2014	—	3.00			
FY2014 (Forecast)			—	3.00	6.00

3. Forecast of Consolidated Results for Fiscal Year ending March 31, 2015

	(¥ Million)	(US\$ Thousand)
	FY2014	FY2014
Revenues	1,810,000	17,313,947
Operating income	28,000	267,840
Ordinary income	50,000	478,286
Net income	40,000	382,629
	(¥)	(US\$)
Net income per share	FY2014 33.45	FY2014 0.320

* Underlying assumptions for FY2014 Forecast

Above forecasts are made, assuming the exchange rate and the bunker price for FY2014 will be as follows:

2H/FY2014 (Oct. 1 2014-Mar. 31 2015)

Exchange Rate 1US\$=¥107.00

Bunker Price US\$ 500/MT

FY2014

Exchange Rate 1US\$=¥104.54

Bunker Price US\$ 554/MT

(Translation of foreign currencies)

The Japanese yen amounts for Q2/FY2014 have been translated into U.S. dollars using the prevailing exchange rate at September 30, 2014, which was ¥109.45 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

	Six months		(Billions of Yen)
	From Apr. 1 to Sep. 30, 2013	From Apr. 1 to Sep. 30, 2014	Year-on-year comparison (variance)
Revenue	845.1	890.1	44.9 / 5.3 %
Operating income (loss)	21.7	4.2	(17.5) / (80.6)%
Ordinary income (loss)	25.6	14.5	(11.1) / (43.3)%
Net income (loss)	21.1	11.5	(9.6) / (45.5)%
Exchange rate (six-month average)	¥98.34/US\$	¥102.08/US\$	¥3.74/US\$
Bunker price (six-month average)	US\$608/MT	US\$607/MT	US\$(0)/MT

In the global economy during the first six months of the fiscal year (FY) 2014 (April 1, 2014 to September 30, 2014), although there was economic growth in some countries including the U.S., economic growth in most areas slowed down, both in developed and emerging countries.

From April in the U.S., business sentiment improved, leading to a gradual improvement in the employment situation. As a result, the economy continued to recover steadily. In Europe, there was a gradual increase in deflation concerns amid weaker exports, capital investment and consumption due to the impact of tougher sanctions on Russia, causing economic recovery to stall. China's economic growth rate recovered modestly from April to June as the result of small-scale economic stimulus measures implemented by the government from April in the context of a slowdown in the real estate market. From the summer, although exports were strong, the sense of economic slowdown strengthened again, particularly in the areas of investment in fixed assets and industrial production. Japan's economy has yet to recover. This reflected a substantial slump in personal consumption resulting from a demand decline following a surge ahead of a Japanese consumption tax hike in April and weak growth in exports.

Looking at the maritime shipping market conditions, in the dry bulker market, although iron ore cargo volumes from Australia were firm, ocean cargo volumes of coal and others showed sluggish growth due to the slowdown in Chinese economic growth, and conditions in this market remained weak as a result. The very large crude oil carrier (VLCC) market was weak until mid-June but conditions recovered from that point. From mid-August, the market weakened again. On the other hand, the LPG carrier market was strong. In the market for containerships, the gap between supply and demand remained substantial reflecting deliveries of large containerships, and freight rate levels remained weak as a result.

The average exchange rate against the U.S. dollar during the first six months depreciated by ¥3.74 year on year to ¥102.08. The average bunker price during the first six months was US\$607/MT on par with the same period of the previous fiscal year.

As a result of the above, we recorded revenue for the first six months of ¥890.1 billion, operating income of ¥4.2 billion, ordinary income of ¥14.5 billion and net income of ¥11.5 billion. This was a year-on-year worsening in our business performance, despite an increase in sales.

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

	Upper: Revenue, Lower: Segment Income (Loss) (Ordinary Income (Loss))		(Billions of Yen)	
	Six months		Year-on-year comparison (variance)	
	From Apr. 1 to Sep. 30, 2013	From Apr. 1 to Sep. 30, 2014		
Bulkships	400.1	418.0	17.9 /	4.5 %
	23.9	16.5	(7.4) /	(31.2)%
Containerships	357.1	384.9	27.8 /	7.8 %
	(3.7)	(10.8)	(7.0) /	– %
Ferry and Domestic Transport	27.8	28.4	0.6 /	2.2 %
	1.2	2.0	0.8 /	72.7 %
Associated Businesses	67.8	78.2	10.4 /	15.3%
	5.7	6.1	0.4 /	7.2 %
Others	7.5	7.1	(0.4) /	(5.5)%
	1.9	2.1	0.1 /	8.2 %

(Note) Revenue includes internal sales or transfers among segments.

(A) Bulkships

<Dry Bulkers>

In the dry bulker market, although Capesize bulkers saw firm cargo volumes of iron ore in the Pacific area on the back of expansion in iron ore shipment capacity in Australia, cargo volumes of iron ore from Brazil showed weak growth. A decline in the volume of coal imports to China in line with China's economic slowdown also had an impact. As a result, the balance between vessel supply and demand fell short of a full-scale recovery, and market conditions were weak.

The market for Panamax on down mid- and small-sized vessels also struggled, following the same trend as the Capesize bulker market, amid a fall in grain cargo volumes up to the summer.

Despite such an environment, ordinary income for the first six months in the dry bulker segment increased year on year, reflecting stable profits from long-term contracts for carriers of iron ore, woodchips, steaming coal, etc. and efforts to improve operation efficiency and to cut costs.

<Tankers/LNG Carriers>

Although the very large crude oil carrier (VLCC) market was weak until mid-June due to scheduled periodic repairs at oil refineries in the Far East, conditions recovered from that point, reflecting the completion of these repairs. However, the market weakened again from mid-August mainly as a result of weaker cargo volumes from the Middle East. In the product tanker market, mid- and small-sized vessels (MR) had firm conditions in the Far East, mainly supported by new naphtha cargo from South Korea and Russia, but sluggish conditions in the Atlantic market due to strong supply pressure from newly delivered vessels and large vessels. For large vessels (LR1/LR2), on the other hand, market conditions improved, mainly reflecting an increase in cargo volumes between the Far East and the Atlantic market on the back of an increase in arbitrage-trading taking advantage of price differences between regions. The LPG carrier market was strong, underpinned by firm India-bound trade and demand for shipments from the U.S.

Under such an environment, the tanker segment posted a profit in the first six months, largely reflecting

continued efforts to reduce fuel costs by slow steaming and improve operation efficiency by setting up pools with other operators.

In the market for LNG carriers, while deliveries of new vessels continued, there were few projects leading to the start of new shipments. As a result, the balance between supply and demand continued to be loose.

Under such an environment, the LNG carrier segment was unable to post a profit in the first six months, due mainly to an increase in costs in line with early retirement and docking of aged vessels in addition to a decrease in rates of operation.

<Car Carriers>

Even with a trend of yen depreciation, there were no significant changes in the environment of that Japanese carmakers continued to diversify their locations of production in line with their tendency to move production abroad, while the trend for the number of completed cars transported from Japan to decline year by year continued. Amid this environment, although we worked to bolster our handling of cross trade transportation and inbound cargo, the number of completed cars transported on a new route, which started in the end of previous fiscal year, showed weaker growth than expected, and ordinary income for the car carrier segment in the first six months decreased year on year as a result.

(B) Containerships

In the containership business, although cargo volumes from Asia to North America and to Europe were firm on the back of economic stability in Europe and the U.S., cargo volumes to China and other Asian countries showed weak growth, and as a result the Asia-bound freight market was weak. On the North-South routes, the freight market experienced a substantial downswing due to a slump in cargo volume, particularly in cargo bound for the South America east coast. Although Intra-Asia routes were comparatively stable underpinned by strong demand, it was necessary to review operation plans due to vessel congestion at various ports in Asia.

Under this business environment, although we worked to reduce operating costs by such means as implementing further slow steaming, a loss was recorded in this segment for the first six months.

(C) Ferry and Domestic Transport

In the ferry and the domestic transport business, the cargo volume increased due to an ongoing modal shift and firm cargo volume for steel materials, despite negative impact of Japanese consumption tax hike and bad weather condition. As a result, revenue and ordinary income increased year on year.

(D) Associated Businesses

In the real estate business, the office leasing market staged a recovery centered on the Tokyo metropolitan area, and Daibiru Corporation, the core company in the MOL Group's real estate business, maintained low vacancy rates, allowing us to sustain a stable performance. In the cruise ship business, the number of passengers on the Nippon Maru increased compared with the same period of the previous year, achieving a year-on-year improvement in ordinary income/loss. Other associated businesses, such as the tugboat and trading businesses, showed firm performances overall. Consequently, ordinary income of the associated

businesses segment increased on a year-on-year basis.

(E) Others

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

5. Financial Position

Total assets as of September 30, 2014 increased by 4.9 billion yen compared to the balance as of the end of the previous fiscal year, to 2,369.6 billion yen. This was primarily due to the increases in Vessels and other property under construction, and Long-term loans receivable.

Total liabilities as of September 30, 2014 increased by 7.6 billion yen compared to the balance as of the end of the previous fiscal year, to 1,588.7 billion yen. This was primarily due to the increase in Bonds.

Total net assets as of September 30, 2014 decreased by 2.6 billion yen compared to the balance as of the end of the previous fiscal year, to 780.8 billion yen. This was primarily due to the decrease in Foreign currency translation adjustments.

As a result, shareholders' equity ratio decreased by 0.1% compared to the ratio as of the end of the previous fiscal year, to 28.6%.

6. Outlook for FY2014

For FY2014

(Billions of Yen)

	Previous outlook (When announced 1Q)	Latest outlook (When announced 2Q)	Comparison (variance)
Revenue	1,830.0	1,810.0	(20.0) / (1.1) %
Operating income	36.0	28.0	(8.0) / (22.2)%
Ordinary income	50.0	50.0	- / -%
Net income	40.0	40.0	- / -%

Exchange rate	¥100.00/US\$	¥107.00/US\$	¥7.00/US\$
Bunker price	US\$620/MT	US\$500/MT	△US\$120/MT
	(Assumption for the second half of FY2014)	(Assumption for the second half of FY2014)	

For the third quarter and after, our assumptions for the exchange rate and bunker prices are ¥107.00 to the U.S. dollar and US\$500/MT, respectively. In the area of dry bulkers, we assume that cargo volumes will increase in the third quarter due to seasonal factors and that there will be a gradual upswing in the market on the back of an improvement in the balance of supply and demand. We assume that there will be an upswing in the very large crude oil carrier and product tanker markets going into the winter demand period. Looking at LPG carrier market conditions, although in past years there has been a tendency for downswings and stagnation from the autumn due to a fall in vessel demand, we expect that the usual slump will be limited in 2014 amid heightened vessel demand in line with an increase in cargo from the U.S. With respect to containerships, we will reduce the frequency of services on major routes in line with a slump in cargo volume in the winter season, and work to improve results by continuing to implement slow steaming and push ahead with cost reductions.

In consideration of these prospects, for FY2014, we project revenue of ¥1,810.0 billion, operating income of ¥28.0 billion, ordinary income of ¥50.0 billion and net income of ¥40.0 billion.

At present, we are planning to pay an annual dividend of ¥6 per share for FY2014, and to help ensure the prompt return of profits to shareholders, we will pay an interim dividend. The amount of the interim dividend for FY2014 was set at ¥3 per share by resolution of the Board of Directors at a meeting held on October 31, 2014.

As indicated above, changes have been made to the outlook released on July 31, 2014. Please refer to the announcement “Revision of FY2014 Outlook” released today (October 31, 2014).

[NOTE]

Change in accounting policies

(Application of accounting standard for retirement benefits)

For the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012), the Company has applied the provisions set forth in the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits effective from the first quarter of the fiscal year, reviewed the determination of retirement benefit obligations and current service costs, and changed the determination of discount rate.

Application of the Accounting Standard for Retirement Benefits and Guidance is in line with the transitional measures provided in Paragraph 37 of the Accounting Standard for Retirement Benefits. In accordance with such measures, the effect of the change in the determination of retirement benefit obligations and current service costs has been added to or deducted from retained earnings as of the beginning of the first quarter.

As a result of the change, as of April 1, 2014, net defined benefit assets decreased 4,570 million yen, net defined benefit liabilities decreased 5 million yen, and retained earnings decreased 4,567 million yen. The effect of these changes on operating income, ordinary income and income before income taxes and minority interests in the first six months is immaterial.

7. 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, 2014	As of September 30, 2014
Assets		
Current assets		
Cash and deposits	98,148	78,460
Trade receivables	146,786	153,964
Marketable securities	83,000	77,000
Inventories	59,349	56,966
Deferred and prepaid expenses	73,284	70,053
Deferred tax assets	1,628	1,823
Other current assets	72,138	70,550
Allowance for doubtful accounts	(697)	(1,005)
Total current assets	533,639	507,814
Fixed assets		
Tangible fixed assets		
Vessels	860,095	831,449
Buildings and structures	136,990	133,612
Equipments, mainly containers	10,273	9,665
Equipments and parts	4,929	5,750
Land	215,610	215,539
Vessels and other property under construction	148,971	169,000
Other tangible fixed assets	2,373	2,236
Total tangible fixed assets	1,379,244	1,367,255
Intangible fixed assets	29,384	27,813
Investments and other assets		
Investment securities	234,455	240,631
Long-term loans receivable	37,519	58,238
Prepaid expenses	3,550	3,505
Net defined benefit assets	21,199	17,043
Deferred tax assets	3,768	3,784
Other long-term assets	123,717	145,493
Allowance for doubtful accounts	(1,785)	(1,942)
Total investments and other assets	422,426	466,756
Total fixed assets	1,831,055	1,861,824
Total assets	2,364,695	2,369,638

	(¥ Million)	
	As of March 31, 2014	As of September 30, 2014
Liabilities		
Current liabilities		
Trade payables	143,196	146,564
Short-term bonds	45,000	30,000
Short-term bank loans	105,188	115,661
Accrued income taxes	6,909	6,098
Advances received	37,696	33,015
Deferred tax liabilities	1,716	1,210
Allowance for bonuses	4,530	4,023
Allowance for directors' bonuses	121	72
Commercial paper	—	1,500
Other current liabilities	85,687	87,952
Total current liabilities	430,045	426,099
Fixed liabilities		
Bonds	180,500	249,825
Long-term bank loans	740,038	684,758
Lease obligations	21,564	20,520
Deferred tax liabilities	81,130	89,698
Allowance for directors' and corporate auditors' retirement benefits	1,852	1,553
Reserve for periodic drydocking	14,191	14,121
Net defined benefit liabilities	12,935	12,749
Other fixed liabilities	98,888	89,463
Total fixed liabilities	1,151,100	1,162,689
Total liabilities	1,581,146	1,588,789
Net assets		
Owners' equity		
Common stock	65,400	65,400
Capital surplus	44,516	44,472
Retained earnings	502,833	506,282
Treasury stock, at cost	(6,981)	(6,918)
Total owners' equity	605,768	609,237
Accumulated gains (losses) from valuation and translation adjustments		
Unrealized holding gains on available-for-sale securities, net of tax	32,809	37,670
Unrealized gains on hedging derivatives, net of tax	39,711	44,796
Foreign currency translation adjustments	(315)	(15,480)
Remeasurements of defined benefit plans, net of tax	1,186	944
Total accumulated other comprehensive income	73,392	67,931
Share subscription rights	2,390	2,577
Minority interests	101,998	101,102
Total net assets	783,549	780,849
Total liabilities and net assets	2,364,695	2,369,638

(2) Consolidated Statements of Income

(¥Million)

	Q2 / FY2013 (Apr.1 - Sep.30, 2013)	Q2 / FY2014 (Apr.1 - Sep.30, 2014)
Shipping and other revenues	845,175	890,158
Shipping and other expenses	775,383	831,699
Gross operating income	69,792	58,459
Selling, general and administrative expenses	47,999	54,232
Operating income	21,792	4,227
Non-operating income:		
Interest income	1,086	1,218
Dividend income	3,525	3,737
Equity in earnings of affiliates	—	728
Exchange gains	3,390	7,736
Gain on valuation of derivatives	590	372
Others	5,028	3,671
Total	13,621	17,465
Non-operating expenses:		
Interest expenses	6,399	5,946
Equity in losses of affiliates	2,540	—
Others	784	1,184
Total	9,725	7,130
Ordinary income	25,688	14,561
Extraordinary profit:		
Gain on sale of fixed assets	5,439	9,323
Others	3,342	990
Total	8,782	10,313
Extraordinary loss:		
Loss on sale of fixed assets	3,352	816
Loss on retirement of fixed assets	124	1,263
Loss arising from marine accident	1,755	—
Others	980	2,910
Total	6,213	4,990
Income before income taxes and minority interests	28,257	19,884
Income taxes	4,877	6,034
Income before minority interests	23,380	13,849
Minority interests in earnings of consolidated subsidiaries	2,240	2,329
Net income	21,139	11,520

(3) Consolidated Statements of Comprehensive Income

(¥Million)

	Q2 / FY2013 (Apr.1 - Sep.30, 2013)	Q2 / FY2014 (Apr.1 - Sep.30, 2014)
Income before minority interests	23,380	13,849
Other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	10,553	5,236
Unrealized gains on hedging derivatives, net of tax	14,056	9,795
Foreign currency translation adjustments	15,821	(13,252)
Remeasurements of defined benefit plans, net of tax	—	(243)
Share of other comprehensive income of associates accounted for using equity method	11,225	(7,984)
Total	51,657	(6,449)
Comprehensive income	75,037	7,399
(Breakdown)		
Comprehensive income attributable to owners of the parent	69,369	6,059
Comprehensive income attributable to minority interests	5,667	1,340

(4) Consolidated Statements of Cash Flows

(¥ Million)

	Q2 / FY2013 (Apr.1 - Sep.30, 2013)	Q2 / FY2014 (Apr.1 - Sep.30, 2014)
Cash flows from operating activities:		
Income before income taxes and minority interests	28,257	19,884
Depreciation and amortization	42,265	40,904
Equity in losses (earnings) of affiliated companies	2,540	(728)
Various provisions (reversals)	(2,937)	(439)
Decrease (increase) in net defined benefit assets	—	(759)
Increase (decrease) in net defined benefit liabilities	—	(99)
Interest and dividend income	(4,612)	(4,955)
Interest expenses	6,399	5,946
Loss (gain) on the sale of investment securities	(741)	1
Loss (gain) on sale and retirement of vessels, property, plant and equipment	(1,962)	(7,245)
Exchange loss (gain), net	(4,962)	(4,593)
Changes in operating assets and liabilities		
— Trade receivables	2,582	(8,377)
— Inventories	1,391	2,014
— Trade payables	(3,054)	4,373
Others, net	(8,373)	(13,310)
Sub total	56,793	32,613
Cash received for interest and dividend	6,450	6,086
Cash paid for interest	(6,937)	(7,018)
Cash paid for corporate income tax, resident tax and enterprise tax	(2,502)	(9,391)
Net cash provided by operating activities	53,803	22,289
Cash flows from investing activities:		
Purchase of investment securities	(19,285)	(7,595)
Proceeds from sale and redemption of investment securities	3,011	46
Payments for purchases of vessels and other tangible / intangible fixed assets	(83,848)	(61,846)
Proceeds from sale of vessels and other tangible / intangible fixed assets	50,873	35,878
Net decrease (increase) in short-term loans receivables	(351)	(324)
Disbursements for long-term loans receivables	(6,293)	(22,153)
Collections of long-term loans receivables	809	3,274
Others, net	427	872
Net cash used in investing activities	(54,656)	(51,847)
Cash flows from financing activities:		
Net increase (decrease) in short-term bank loans	(2,546)	4,088
Net increase (decrease) in commercial paper	(2,000)	1,500
Proceeds from long-term bank loans	70,903	45,289
Repayments of long-term bank loans	(74,275)	(91,954)
Proceeds from issuance of bonds	—	80,280
Redemption of bonds	—	(30,000)
Purchase of treasury stock	(23)	(25)
Sale of treasury stock	8	36
Cash dividends paid by the company	(12)	(3,590)
Cash dividends paid to minority interests	(651)	(2,213)
Others, net	(881)	(704)
Net cash provided by (used in) financing activities	(9,479)	2,706
Effect of exchange rate changes on cash and cash equivalents	5,352	(254)
Net increase (decrease) in cash and cash equivalents	(4,980)	(27,106)
Cash and cash equivalents at beginning of the year	200,636	180,125
Net cash increase from new consolidation/de-consolidation of subsidiaries	—	810
Cash and cash equivalents at end of period	195,655	153,830

(5) Segment Information

Business segment information:

(¥Million)

Q2 / FY2013 (Apr.1 - Sep.30, 2013)	Reportable segments					Others *1	Total	Adjust- ment *2	Consoli- dated *4
	Bulk- ships	Container - ships	Ferry & Domestic Transport	Associated Businesses	Sub Total				
Revenues									
1.Revenues from external customers	399,783	355,898	27,714	58,012	841,408	3,766	845,175	—	845,175
2.Inter-segment revenues	324	1,279	108	9,843	11,555	3,824	15,379	(15,379)	—
Total revenues	400,108	357,178	27,822	67,855	852,964	7,590	860,555	(15,379)	845,175
Segment income (loss)	23,998	(3,775)	1,212	5,763	27,199	1,962	29,161	(3,472)	25,688

(¥Million)

Q2 / FY2014 (Apr.1 - Sep.30, 2014)	Reportable segments					Others *1	Total	Adjust- ment *3	Consoli- dated *4
	Bulk- ships	Container - ships	Ferry & Domestic Transport	Associated Businesses	Sub Total				
Revenues									
1.Revenues from external customers	417,816	383,571	28,262	56,460	886,110	4,047	890,158	—	890,158
2.Inter-segment revenues	222	1,427	170	21,804	23,625	3,126	26,751	(26,751)	—
Total revenues	418,038	384,999	28,433	78,265	909,736	7,173	916,909	(26,751)	890,158
Segment income (loss)	16,503	(10,870)	2,094	6,181	13,907	2,122	16,030	(1,468)	14,561

* 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, the financing business and the shipbuilding business.

* 2. The adjustment in segment income (loss) of -3,472 million yen includes the following:
-4,558 million yen of corporate profit which is not allocated to each segment, 2,052 million yen of adjustment for management accounting, -966 million yen of intersegment transaction elimination.

* 3. The adjustment in segment income (loss) of -1,468 million yen includes the following:
-3,124 million yen of corporate profit which is not allocated to each segment, 3,019 million yen of adjustment for management accounting, -1,363 million yen of intersegment transaction elimination.

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

Supplement

1. Review of Quarterly Results

<FY 2014>

	Q1	Q2	Q3	Q4
	Apr-Jun, 2014	Jul-Sep, 2014	Oct-Dec, 2014	Jan-Mar, 2015
Revenues [¥ Millions]	433,913	446,245		
Operating income	3,959	268		
Ordinary income	7,543	7,018		
Income before income taxes	12,299	7,585		
Net income	8,512	3,008		
Net income per share [¥]	7.12	2.51		
Total Assets [¥ Millions]	2,381,797	2,369,638		
Total Net Assets	773,579	780,849		

<FY 2013>

	Q1	Q2	Q3	Q4
	Apr-Jun, 2013	Jul-Sep, 2013	Oct-Dec, 2013	Jan-Mar, 2014
Revenues [¥ Millions]	411,924	433,251	430,134	454,143
Operating income	11,494	10,298	7,891	11,409
Ordinary income	15,291	10,397	11,281	18,016
Income before income taxes	15,942	12,315	11,951	31,502
Net income	12,941	8,198	8,376	27,878
Net income per share [¥]	10.82	6.86	7.00	23.31
Total Assets [¥ Millions]	2,214,208	2,245,603	2,285,533	2,364,695
Total Net Assets	663,094	694,240	726,855	783,549

2. Depreciation and Amortization

(¥ Millions)

	Six months ended Sep.30, 2013	Six months ended Sep.30, 2014	Increase / Decrease	FY2013
Vessels	34,224	32,127	(2,097)	67,512
Others	8,041	8,776	735	16,471
Total	42,265	40,904	(1,361)	83,983

3. Interest-bearing Debt

(¥ Millions)

	As of Mar.31, 2014	As of Sep.30, 2014	Increase / Decrease	As of Sep.30, 2013
Bank loans	845,226	800,419	(44,807)	809,575
Bonds	225,500	279,825	54,325	235,500
Commercial paper	0	1,500	1,500	-
Others	23,355	22,075	(1,280)	22,748
Total	1,094,081	1,103,820	9,739	1,067,824

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	78	7,414	71	10,898	23	1,588	50	811	18	1,224
Chartered	322	27,936	91	4,131	1	78	71	1,194	103	6,137
Others	-	-	-	-	2	143	-	-	-	-
As of Sep.30, 2014	400	35,350	162	15,029	26	1,809	121	2,005	121	7,360
As of Mar.31, 2014	403	35,760	175	15,833	29	2,026	125	2,033	119	7,091

	Ferries / Domestic carriers ^(*)		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	15	88	1	5	-	-	256	22,027
Chartered	23	72	-	-	2	13	613	39,560
Others	2	2	-	-	-	-	4	145
As of Sep.30, 2014	40	161	1	5	2	13	873	61,732
As of Mar.31, 2014	40	160	1	5	2	13	894	62,920

(*)excluding tug boats

5. Exchange Rates

	Six months ended Sep.30, 2013	Six months ended Sep.30, 2014	Change			FY2013
Average rates	¥98.34	¥102.08	¥3.74	[3.8%]	JPY Weaken	¥99.79
Term-end rates	¥97.75	¥109.45	¥11.70	[12.0%]	JPY Weaken	¥102.92

(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, 2013	TTM on Jun.30, 2014	Change			TTM on Dec.31, 2013
Term-end rates	¥98.59	¥101.36	¥2.77	[2.8%]	JPY Weaken	¥105.39

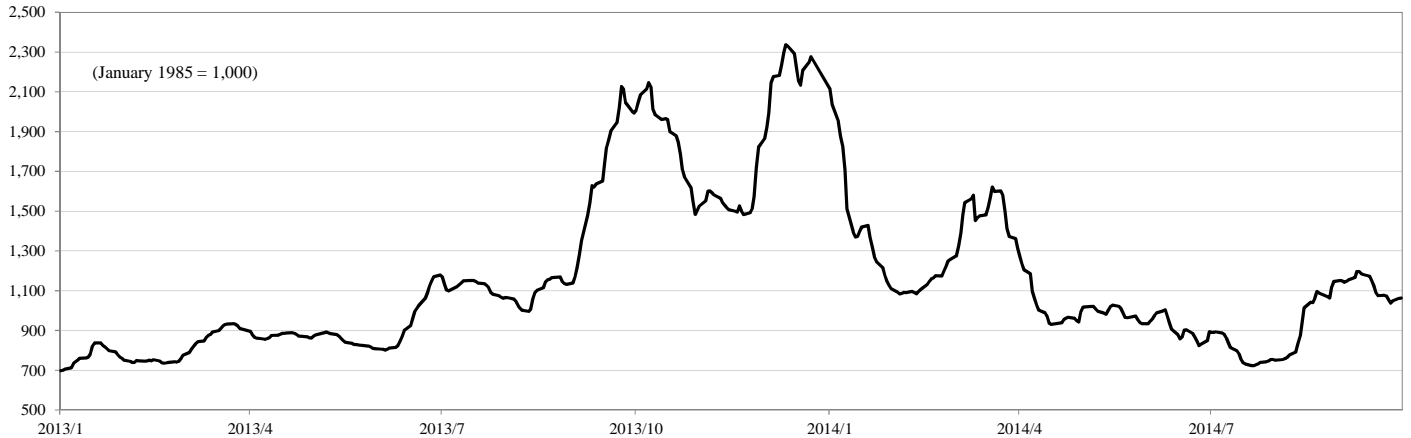
6. Bunker Prices

	Six months ended Sep.30, 2013	Six months ended Sep.30, 2014	Increase / Decrease
Consumption Prices	US\$608/MT	US\$607/MT	US\$(0)/MT

7. Market Information

(1) Dry Bulker Market (Baltic Dry Index)

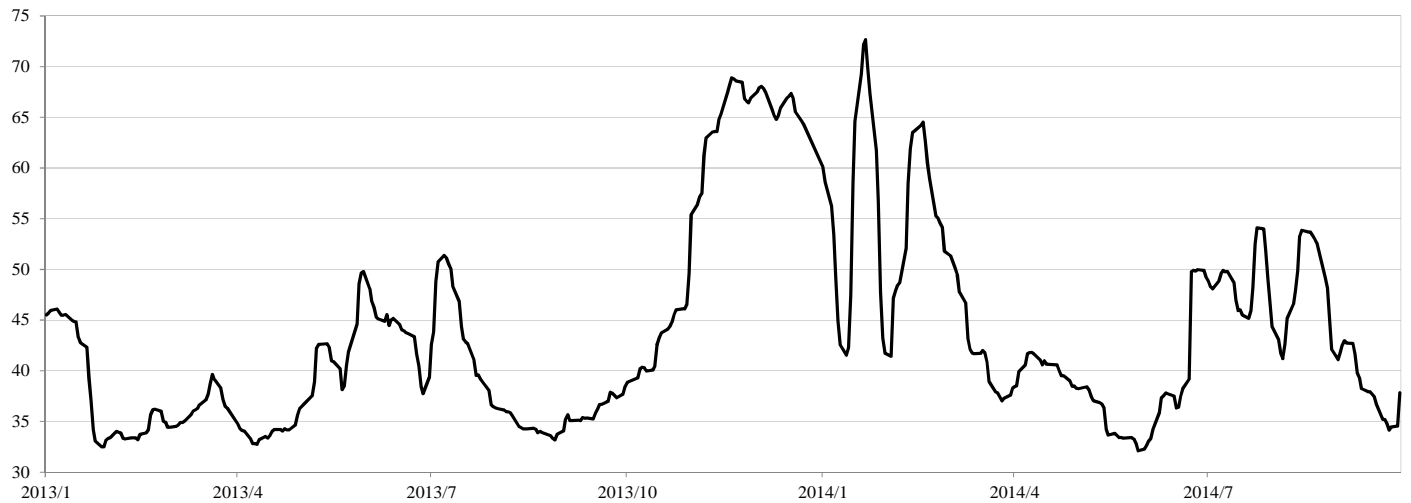
Source : Bloomberg



Monthly Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2013	771	745	876	874	851	941	1,123	1,088	1,681	1,883	1,559	2,178	1,214
2014	1,472	1,140	1,484	1,045	991	912	796	937	1,123				1,100

(2) Tanker Market (World Scale) : VLCC AG/East trade

Source : researched by MOL

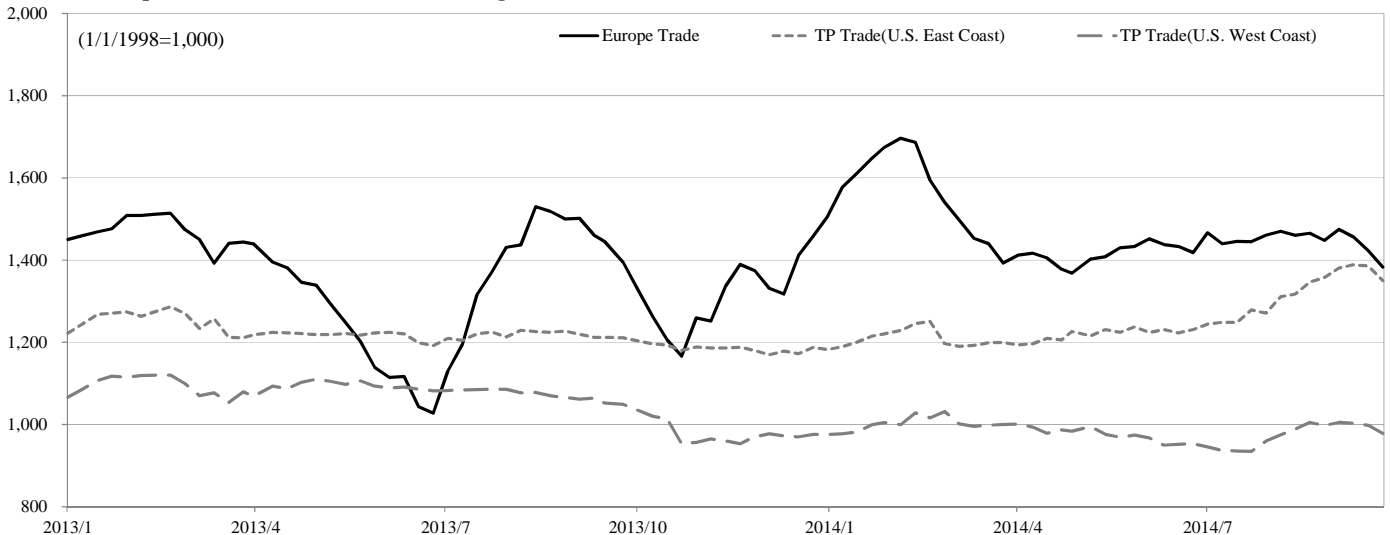


Monthly Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2013	41	34	36	34	42	44	44	34	36	43	64	66	43
2014	56	56	43	40	35	39	49	48	38				45

(Note) WS for 2013 has been translated by the Flat Rate of 2014.

(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.