

Mitsui O.S.K. Lines, Ltd.

Financial Highlights: The First Quarter Ended June 30, 2014

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

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

(1) Operational Results

	(¥Million)		(US\$ Thousand)
	Q1/FY2014	Q1/FY2013	Q1/FY2014
Revenues	443,913	411,924	4,379,568
Operating income	3,959	11,494	39,059
Ordinary income	7,543	15,291	74,418
Net income	8,512	12,941	83,978
	(¥)		(US\$)
Net income per share	7.12	10.82	0.070
Diluted net income per share	6.79	10.82	0.067

(2) Financial Position

	(¥Million)		(US\$ Thousand)
	Q1/FY2014	FY2013	Q1/FY2014
Total Assets	2,381,797	2,364,695	23,498,392
Total Net Assets	773,579	783,549	7,631,995
Shareholders' Equity / Total assets	28.2%	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	—				
FY2014 (Forecast)		3.00	—	3.00	6.00

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

	(¥Million)		(US\$ Thousand)
	1H/FY2014	FY2014	FY2014
Revenues	900,000	1,830,000	18,211,824
Operating income	10,000	36,000	358,265
Ordinary income	15,000	50,000	497,591
Net income	12,000	40,000	398,073
	(¥)		(US\$)
Net income per share	10.03	33.45	0.333

* Underlying Assumption of the Forecast for FY2014

The above forecast is made assuming the exchange rate and the bunker price for FY2014.

Q2/FY2014

Exchange Rate 1US\$=¥100.00

Bunker Price US\$ 620/MT

2H/FY2014

Exchange Rate 1US\$=¥100.00

Bunker Price US\$ 620/MT

FY2014

Exchange Rate 1US\$=¥101.48

Bunker Price US\$ 618/MT

(Translation of foreign currencies)

The Japanese yen amounts for Q1/FY2014 have been translated into U.S. dollars using the prevailing exchange rate at June 30, 2014, which was ¥101.36 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

	Three months		(Billions of Yen)
	From Apr. 1 to Jun. 30, 2013	From Apr. 1 to Jun. 30, 2014	Year-on-year comparison (variance)
Revenue	411.9	443.9	31.9/ 7.8%
Operating income (loss)	11.4	3.9	(7.5)/ (65.5)%
Ordinary income (loss)	15.2	7.5	(7.7)/ (50.7)%
Net income (loss)	12.9	8.5	(4.4)/ (34.2)%
Exchange rate (three-month average)	¥98.81/US\$	¥101.94/US\$	¥3.13/US\$
Bunker price (three-month average)	US\$606/MT	US\$611/MT	US\$5/MT

In the global economy during the first three months of the fiscal year (FY) 2014 (April 1, 2014 to June 30, 2014), despite heightened concerns about negative economic effects from developments including upward pressure on crude oil prices from higher geopolitical risks such as political unrest in Ukraine and the situation in Iraq from June, moderate recoveries in the U.S. and Europe drove global economic growth.

Although the U.S. suffered negative economic growth at the start of 2014 due to a spell of unusually cold weather, the economy maintained a tone of moderate growth from April. Europe's economy also maintained a tone of recovery, but the pace of recovery became sluggish partly due to high unemployment and a slowdown in exports resulting from appreciation in the euro, as well as deflation concerns. In China, as a result of weaker consumption growth and a slowdown in the real estate market, small-scale financial and fiscal measures were implemented, which underpinned the economy together with recovery in exports. Japan's economy weakened, mainly reflecting a slump in personal consumption resulting from a demand decline following a surge ahead of a Japanese consumption tax hike in April.

Looking at the maritime shipping market conditions, in the dry bulker market the balance of supply and demand failed to improve due to a continuing surplus of vessel capacity, and as a result the market remained weak overall. The very large crude oil carrier (VLCC) market slumped until mid-June mainly as a result of a decline in demand for crude oil shipments due to scheduled periodic repairs at oil refineries in the Far East, while 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 three months depreciated by ¥3.13 year on year to ¥101.94. The average bunker price during the first three months rose by US\$5/MT to US\$611/MT.

As a result of the above, we recorded revenue for the first three months of ¥443.9 billion, operating income of ¥3.9 billion, ordinary income of ¥7.5 billion and net income of ¥8.5 billion. This was a year-on-year worsening in our business performance. 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)
	Three months		Year-on-year comparison (variance)
	From Apr. 1 to Jun. 30, 2013	From Apr. 1 to Jun. 30, 2014	
Bulkships	194.1	212.6	18.5/ 9.5 %
	12.6	10.8	(1.7)/ (13.8)%
Containerships	175.0	187.8	12.7/ 7.3%
	(1.1)	(7.2)	(6.1)/ – %
Ferry and Domestic Transport	13.3	13.7	0.4/ 3.3%
	(0.0)	0.6	0.6/ – %
Associated Businesses	33.2	39.4	6.2/ 18.7%
	2.9	3.2	0.3/ 11.4%
Others	3.6	3.8	0.2/ 7.4%
	1.5	1.0	(0.5)/ (34.1)%

(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 were weak and vessel congestion at major loading and unloading ports for iron ore and coal was low. As a result, the issue of oversupply of vessel capacity remained unresolved 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.

Under such an environment, ordinary income for the first three 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>

In the tanker segment, the very large crude oil carrier (VLCC) market was weak until mid-June mainly reflecting a decline in demand for shipments due to scheduled periodic repairs at oil refineries in the Far East. In the product tanker market, the Far East market was stable reflecting such developments as increased gasoline import demand resulting from the above-mentioned scheduled periodic repairs. The Atlantic market slumped due to slowness in the recovery of demand for naphtha shipments from the U.S. Gulf to the Far East and an increase in supply pressure from newly delivered vessels' capacity. On the other hand, the LPG carrier market was robust, underpinned by firm India-bound trade and demand for shipments from the U.S.

Under such an environment, as a result of continued efforts to reduce fuel costs by slow steaming and improve operation efficiency by setting up pools with other operators, ordinary income not only remained in positive territory but also increased year on year.

Looking at the LNG carriers market, deliveries of new vessels continued while new launches of operations at LNG production plants were limited, and the balance between supply and demand loosened as a result, leading to a period of slump in the market. In the LNG carrier segment, although the impact of the market

was minor thanks to long-term transport contracts, the segment was unable to post a profit in the first three months due to a decrease in rates of operation resulting from vessel docking and others.

<Car Carriers>

In the car carrier segment, the tendency of Japanese carmakers to prefer a policy of local production for local consumption and diversification of production locations continued. As a result, there was no change in the trend towards decline in the number of completed cars transported from Japan. Amid this environment, although we worked to bolster our handling of cross trade transportation and inbound cargo, transportation of completed cars on a new route, which started in the previous fiscal year, didn't grow as expected, and ordinary income in the first three months worsened year on year as a result.

(B) Containerships

With respect to cargo movement in major trades, the Trans-Pacific and Asia-Europe routes were both stable. Although Intra-Asia routes were affected by unstable factors such as political unrest in Thailand and strikes at Chinese-managed factories in Vietnam, overall cargo volume was steady. On South American routes, growth in cargo volume weakened reflecting a slowdown in economic growth in this area and the impact of economic uncertainty in Argentina.

With respect to freight rate levels, on the Trans-Pacific and Asia-Europe routes, a recovery in freight rates, which have slumped due to factors including continued deliveries of large vessels, remained elusive. Furthermore, there was a considerable slump in freight rate levels on the South America east coast route.

Under this business environment, although we worked to strengthen competitiveness by such means as cutting costs through deliveries of large vessels and expanding new cooperative vessel allocations through alliances on the Trans-Pacific and Atlantic Ocean routes, a loss was recorded in this segment for the first three 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 high construction demand, resulting in year-on-year increases in revenue and ordinary income.

(D) Associated Businesses

In the real estate business, the office leasing market staged a moderate recovery, 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. Looking at the cruise ship business, we increased the number of passengers on the Nippon Maru, compared with the same period of the previous year, and achieved 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 overall increased on a year-on-year basis.

(E) Others

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

5. Financial Position

Consolidated assets as of June 30, 2014, were 2,381.7 billion yen, an increase of 17.1 billion yen from the end of the previous fiscal year.

This mainly reflects an increase in Cash and deposit and Construction in progress.

Consolidated liabilities as of June 30, 2014, were 1,608.2 billion yen, an increase of 27.0 billion yen from the end of the previous fiscal year. This was mainly due to an increase in bonds.

Consolidated net assets as of June 30, 2014, were 773.5 billion yen, a decrease of 9.9 billion yen from the end of the previous fiscal year. This was mainly due to a decrease in unrealized gains on hedging derivatives and foreign currency translation adjustments.

As a result, shareholder's equity ratio was 28.2%, down 0.5% from the end of the previous fiscal year.

6. Outlook for FY2014

For the first half of FY2014

(Billions of Yen)

	Initial outlook (When announced on April 30, 2014)	Latest outlook (When announced 1Q)	Comparison (variance)
Revenue	895.0	900.0	5.0/ 0.6%
Operating income	25.0	10.0	(15.0)/ (60.0)%
Ordinary income	32.5	15.0	(17.5)/ (53.8)%
Net income	32.0	12.0	(20.0)/ (62.5)%

Exchange rate	¥100.00/US\$	¥100.00/US\$	¥-/US\$
Bunker price	US\$620/MT	US\$620/MT	US\$-/MT
	(Assumption for the first half of FY2014)	(Assumption for 2Q)	

For FY2014

(Billions of Yen)

	Initial outlook (When announced on April 30, 2013)	Latest outlook (When announced 1Q)	Comparison (variance)
Revenue	1,800.0	1,830.0	30.0/ 1.7%
Operating income	54.0	36.0	(18.0)/ (33.3)%
Ordinary income	70.0	50.0	(20.0)/ (28.6)%
Net income	60.0	40.0	(20.0)/ (33.3)%

Exchange rate	¥100.00/US\$	¥100.00/US\$	¥-/US\$
Bunker price	US\$620/MT	US\$620/MT	US\$-/MT
	(Assumption for FY2014)	(Assumption for the second half of FY2014)	

For the second quarter and after, we assume that the exchange rate and bunker price will both be in line with initial outlook. In the area of dry bulkers, cargo volumes are increasing due to seasonal factors and the imbalance between supply and demand is gradually peaking out. As for containerships, we are still cautious about the business environments as the market remains soft.

For the first six months of FY2014, we project revenue of ¥900.0 billion, operating income of ¥10.0 billion, ordinary income of ¥15.0 billion and net income of ¥12.0 billion.

For the full year, we project revenue of ¥1,830.0 billion, operating income of ¥36.0 billion, ordinary income of ¥50.0 billion and net income of ¥40.0 billion.

At present, we plan to pay an annual dividend of ¥6 per share (including an interim dividend of ¥3 per share) for FY2014.

As indicated above, changes have been made to the outlook released on April 30, 2014. Please refer to the announcement "Revision of FY2014 Outlook" released today (July 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 quarter 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 June 30, 2014
Assets		
Current assets		
Cash and deposits	98,148	117,954
Trade receivables	146,786	145,781
Marketable securities	83,000	98,000
Inventories	59,349	60,716
Deferred and prepaid expenses	73,284	68,313
Deferred tax assets	1,628	1,823
Other current assets	72,138	68,873
Allowance for doubtful accounts	(697)	(714)
Total current assets	533,639	560,748
Fixed assets		
Tangible fixed assets		
Vessels	860,095	844,622
Buildings and structures	136,990	134,647
Equipments, mainly containers	10,273	9,735
Equipments and parts	4,929	5,419
Land	215,610	215,577
Vessels and other property under construction	148,971	163,787
Other tangible fixed assets	2,373	2,329
Total tangible fixed assets	1,379,244	1,376,119
Intangible fixed assets	29,384	28,711
Investments and other assets		
Investment securities	234,455	236,826
Long-term loans receivable	37,519	41,119
Prepaid expenses	3,550	3,584
Net defined benefit assets	21,199	16,925
Deferred tax assets	3,768	3,901
Other long-term assets	123,717	115,703
Allowance for doubtful accounts	(1,785)	(1,840)
Total investments and other assets	422,426	416,219
Total fixed assets	1,831,055	1,821,049
Total assets	2,364,695	2,381,797

	(¥Million)	
	As of March 31, 2014	As of June 30, 2014
Liabilities		
Current liabilities		
Trade payables	143,196	147,804
Short-term bonds	45,000	15,000
Short-term bank loans	105,188	132,352
Accrued income taxes	6,909	2,978
Advances received	37,696	34,375
Deferred tax liabilities	1,716	1,769
Allowance for bonuses	4,530	3,197
Allowance for directors' bonuses	121	20
Commercial paper	—	4,000
Other current liabilities	85,687	78,688
Total current liabilities	430,045	420,187
Fixed liabilities		
Bonds	180,500	260,780
Long-term bank loans	740,038	705,766
Lease obligations	21,564	20,923
Deferred tax liabilities	81,130	79,271
Allowance for directors' and corporate auditors' retirement benefits	1,852	1,543
Allowance for special repairs	14,191	14,807
Net defined benefit liabilities	12,935	12,769
Other fixed liabilities	98,888	92,168
Total fixed liabilities	1,151,100	1,188,030
Total liabilities	1,581,146	1,608,217
Net assets		
Owners' equity		
Common stock	65,400	65,400
Capital surplus	44,516	44,515
Retained earnings	502,833	503,396
Treasury stock, at cost	(6,981)	(6,985)
Total owners' equity	605,768	606,326
Accumulated gains (losses) from valuation and translation adjustments		
Unrealized holding gains on available-for-sale securities, net of tax	32,809	35,662
Unrealized gains on hedging derivatives, net of tax	39,711	31,095
Foreign currency translation adjustments	(315)	(3,437)
Remeasurements of defined benefit plans, net of tax	1,186	1,065
Total accumulated other comprehensive income	73,392	64,385
Share subscription rights	2,390	2,390
Minority interests	101,998	100,476
Total net assets	783,549	773,579
Total liabilities and total net assets	2,364,695	2,381,797

(2) Consolidated Statements of Income

(¥Million)

	Q1 / FY2013 (Apr.1 - Jun.30, 2013)	Q1 / FY2014 (Apr.1 - Jun.30, 2014)
Shipping and other operating revenues	411,924	443,913
Shipping and other operating expenses	377,248	412,442
Gross operating income	34,676	31,471
Selling, general and administrative expenses	23,181	27,511
Operating income	11,494	3,959
Non-operating income:		
Interest income	530	603
Dividend income	2,953	2,031
Equity in earnings of affiliates	—	303
Exchange gains	2,518	2,783
Gain on valuation of derivatives	688	426
Others	2,657	1,173
Total	9,348	7,322
Non-operating expenses:		
Interest expenses	3,235	2,967
Equity in losses of affiliates	1,842	—
Others	474	771
Total	5,551	3,738
Ordinary income	15,291	7,543
Extraordinary profit:		
Gain on sale of fixed assets	3,951	7,705
Others	1,307	184
Total	5,259	7,890
Extraordinary loss:		
Loss on sale of fixed assets	2,840	580
Loss on retirement of fixed assets	999	1,253
Others	769	1,299
Total	4,608	3,134
Income before income taxes and minority interests	15,942	12,299
Income taxes	1,977	2,554
Income before minority interests	13,964	9,745
Minority interests in earnings of consolidated subsidiaries	1,023	1,232
Net income	12,941	8,512

(3) Consolidated Statements of Comprehensive Income

(¥Million)

	Q1 / FY2013 (Apr.1 - Jun.30, 2013)	Q1/ FY2014 (Apr.1 - Jun.30, 2014)
Income before minority interests	13,964	9,745
Other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	4,104	3,090
Unrealized gains (losses) on hedging derivatives, net of tax	12,634	(6,179)
Foreign currency translation adjustments	8,893	(2,096)
Remeasurements of defined benefit plans, net of tax	—	(121)
Share of other comprehensive income of associates accounted for using equity method	4,448	(4,383)
Total	30,079	(9,690)
Comprehensive income	44,044	55
(Breakdown)		
Comprehensive income attributable to owners of the parent	41,182	(493)
Comprehensive income attributable to minority interests	2,862	548

(4) Consolidated Statements of Cash Flows

(¥ Million)

	Q1 / FY2013 (Apr.1 - Jun.30, 2013)	Q1/ FY2014 (Apr.1 - Jun.30, 2014)
Cash flows from operating activities:		
Income before income taxes and minority interests	15,942	12,299
Depreciation and amortization	21,629	20,191
Equity in (earnings) losses of affiliates	1,842	(303)
Various provisions (reversals)	(1,298)	(1,046)
Decrease (Increase) in net defined benefit assets	—	(468)
Increase (Decrease) in net defined benefit liabilities	—	(112)
Interest and dividend income	(3,484)	(2,635)
Interest expenses	3,235	2,967
Loss (gain) on the sale of investment securities	(618)	1
Loss (gain) on sale and retirement of vessels, property, plant and equipment	(112)	(5,873)
Exchange (earning) loss, net	399	(3,048)
Changes in operating assets and liabilities		
— Trade receivables	7,335	303
— Inventories	3,057	(1,597)
— Trade payables	(9,618)	5,189
Other, net	(7,535)	(4,550)
Sub total	30,773	21,315
Cash received from interest and dividend	4,503	4,128
Cash paid for interest	(3,896)	(3,327)
Cash (paid) refund for corporate income tax, resident tax and enterprise tax	(5,930)	(7,646)
Net cash provided by (used in) operating activities	25,451	14,469
Cash flows from investing activities:		
Purchase of investment securities	(15,911)	(1,826)
Proceeds from sale and redemption of investment securities	2,870	2
Payments for purchases of vessels and other tangible / intangible fixed assets	(44,193)	(44,523)
Proceeds from sale of vessels and other tangible / intangible fixed assets	26,868	23,986
Net (increase) decrease in short-term loans receivable	(115)	(304)
Disbursements for loans receivable	(3,090)	(5,069)
Collections of loans receivable	338	1,245
Other, net	118	(1,293)
Net cash provided by (used in) investing activities	(33,114)	(27,784)
Cash flows from financing activities:		
Net increase (decrease) in short-term bank loans	1,176	5,146
Net increase (decrease) in commercial paper	500	4,000
Proceeds from long-term bank loans	40,587	26,732
Repayments of long-term bank loans	(46,266)	(32,059)
Proceeds from issuance of bonds	—	80,280
Redemption of bonds	—	(30,000)
Purchase of treasury stock	(6)	(5)
Sale of treasury stock	5	0
Cash dividends paid by the company	(1)	(3,589)
Cash dividends paid to minority interests	(450)	(2,071)
Other, net	(468)	(255)
Net cash provided by (used in) financing activities	(4,925)	48,178
Effect of exchange rate changes on cash and cash equivalents	3,734	(988)
Net increase (decrease) in cash and cash equivalents	(8,854)	33,875
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	191,781	214,811

(5) Segment Information

Business segment information:

(¥Million)

Q1 / FY2013 (Apr.1 - Jun.30, 2013)	Segment report					Others *1	Total	Adjust- ment *2	Consoli- dated *4
	Bulk- ships	Container - ships	Ferry & Domestic Transport	Associated Businesses	Sub Total				
Revenues									
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	193,917	174,682	13,241	28,294	410,135	1,788	411,924	—	411,924
2.Inter-segments revenues	214	389	60	4,971	5,635	1,844	7,480	(7,480)	—
Total Revenues	194,131	175,071	13,301	33,266	415,771	3,632	419,404	(7,480)	411,924
Segment income	12,614	(1,106)	(17)	2,907	14,397	1,593	15,991	(699)	15,291

(¥Million)

Q1 / FY2014 (Apr.1 - Jun.30, 2014)	Segment report					Others *1	Total	Adjust- ment *3	Consoli- dated *4
	Bulk- ships	Container - ships	Ferry & Domestic Transport	Associated Businesses	Sub Total				
Revenues									
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	212,537	187,311	13,649	28,244	441,744	2,169	443,913	—	443,913
2.Inter-segments revenues	109	522	87	11,236	11,957	1,730	13,688	(13,688)	—
Total Revenues	212,647	187,834	13,737	39,481	453,701	3,899	457,601	(13,688)	443,913
Segment income	10,874	(7,256)	612	3,240	7,470	1,049	8,520	(976)	7,543

* 1. "Others" consist of the businesses which are not included in "segment report", such as vessels' operation, vessels' management, vessels' chartering business, financial business and shipbuilding business.

* 2. The adjustment of segment income (-699 million yen) includes the following elements: -879 million yen of corporate profit which is unable to be distributed to each segment, 1,040 million yen of adjustment for management accounting, -861 million yen of intersegment transaction elimination.

* 3. The adjustment of segment income (-976 million yen) includes the following elements: -2,516 million yen of corporate profit which is unable to be distributed to each segment, 1,519 million yen of adjustment for management accounting, 19 million yen of intersegment transaction elimination.

* 4. The segment income is the ordinary income, and the consolidated statements of income mentions the total figure after the adjustment.

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			
Operating income	3,959			
Ordinary income	7,543			
Income before income taxes	12,299			
Net income	8,512			
Net income per share [¥]	7.12			
Total Assets [¥ Millions]	2,381,797			
Total Net Assets	773,579			

<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)

	Three months ended Jun.30, 2013	Three months ended Jun.30, 2014	Increase / Decrease	FY2013
Vessels	17,649	15,724	(1,925)	67,512
Others	3,980	4,466	486	16,471
Total	21,629	20,191	(1,438)	83,983

3. Interest-bearing Debt

(¥ Millions)

	As of Mar.31, 2014	As of Jun.30, 2014	Increase / Decrease	As of Jun.30, 2013
Bank loans	845,226	838,118	(7,108)	801,036
Bonds	225,500	275,780	50,280	235,500
Commercial paper	0	4,000	4,000	2,500
Others	23,355	22,582	(773)	21,971
Total	1,094,081	1,140,481	46,400	1,061,008

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	7,423	71	10,898	23	1,588	50	815	20	1,303
Chartered	320	27,352	94	4,298	1	78	71	1,180	96	5,650
Others	-	-	-	-	2	143	-	-	-	-
As of Jun.30, 2014	398	34,774	165	15,195	26	1,809	121	1,994	116	6,953
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	-	-	258	22,119
Chartered	23	73	-	-	2	13	607	38,643
Others	2	2	-	-	-	-	4	145
As of Jun.30, 2014	40	163	1	5	2	13	869	60,906
As of Mar.31, 2014	40	160	1	5	2	13	894	62,920

(*)excluding tug boats

5. Exchange Rates

	Three months ended Jun.30, 2013	Three months ended Jun.30, 2014	Change			FY2013
Average rates	¥98.81	¥101.94	¥3.13	(3.2%)	JPY Weaken	¥99.79
Term-end rates	¥98.59	¥101.36	¥2.77	(2.8%)	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 Mar.31, 2013	TTM on Mar.31, 2014	Change			TTM on Dec.31, 2013
Term-end rates	¥94.05	¥102.92	¥8.87	(9.4%)	JPY Weaken	¥105.39

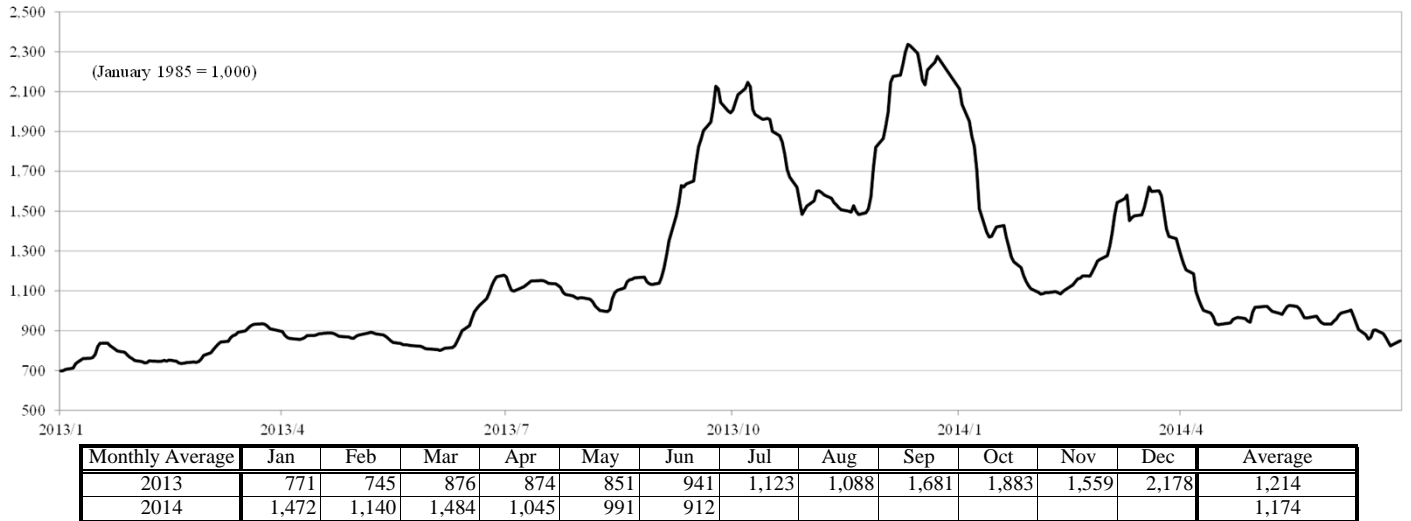
6. Bunker Prices

	Three months ended Jun.30, 2013	Three months ended Jun.30, 2014	Increase / Decrease
Consumption Prices	US\$606/MT	US\$611/MT	US\$5/MT

7. Market Information

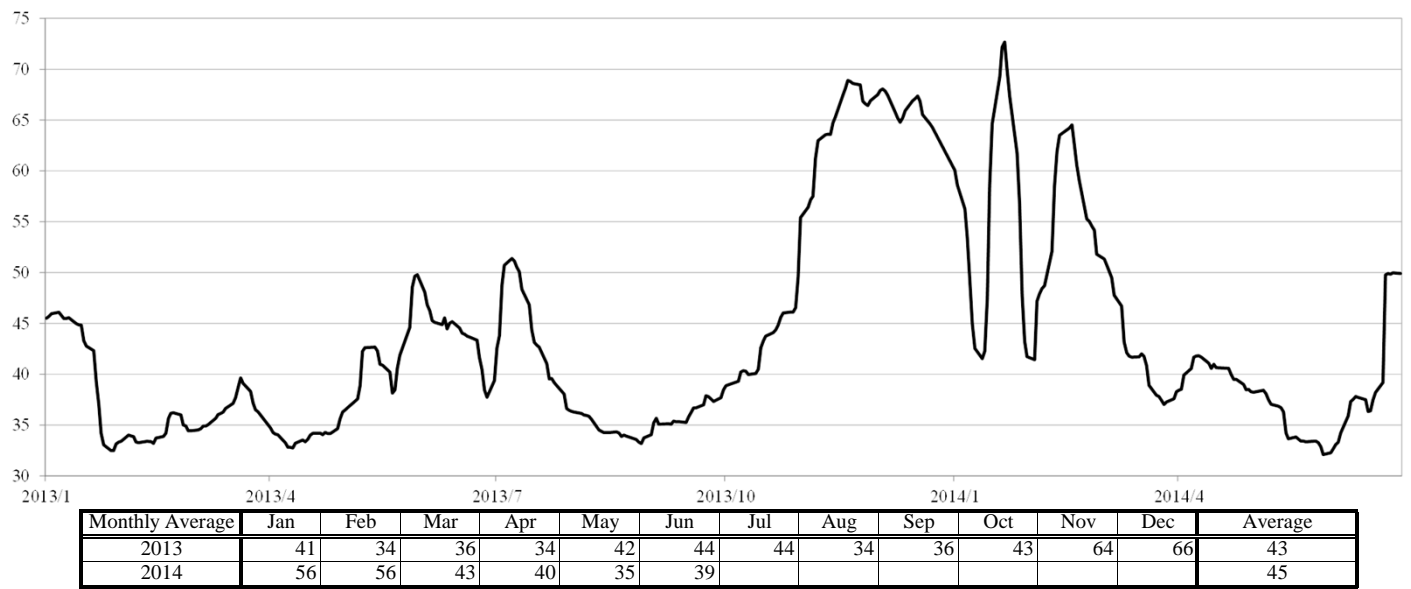
(1) Dry Bulker Market (Baltic Dry Index)

Source : Bloomberg



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

Source : researched by MOI.



(3) Containership Market (China Containerized Freight Index)

Source : Shanghai Shipping Exchange

