

# Mitsui O.S.K. Lines, Ltd.



Financial Highlights: The Third Quarter Ended December 31, 2012

## 1. Consolidated Financial Highlights ( from April 1, 2012 to December 31, 2012 )

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

### (1) Operational Results

	(¥Million)		(US\$ Thousand)
	Q3/ FY2012	Q3/ FY2011	Q3/ FY2012
<b>Revenues</b>	1,119,490	1,073,671	12,930,122
<b>Operating income</b>	(11,380)	(18,375)	(131,439)
<b>Ordinary income</b>	(15,799)	(18,669)	(182,479)
<b>Net income</b>	(58,713)	(25,141)	(678,136)
	(¥)		(US\$ )
<b>Net income per share</b>	(49.10)	(21.03)	(0.567)
<b>Diluted net income per share</b>	—	—	—

### (2) Financial Position

	(¥Million)		(US\$ Thousand)
	Q3/ FY2012	FY2011	Q3/ FY2012
<b>Total Assets</b>	2,054,436	1,946,161	23,728,760
<b>Total Net Assets</b>	672,724	717,909	7,769,970
<b>Shareholders' Equity / Total assets</b>	28.8%	32.8%	

\* Shareholders' Equity is defined as follows.

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

## 2. Dividends

	(¥)		
	Dividend per share		
	Interim	Year end	Total
<b>FY2011</b>	2.50	2.50	5.00
<b>FY2012</b>	0.00		
<b>FY2012 (Forecast)</b>		0.00	0.00

## 3. Forecast of Consolidated Results for Fiscal Year ending March 31, 2013

	(¥Million)	(US\$ Thousand)
	FY2012	FY2012
<b>Revenues</b>	1,510,000	17,159,091
<b>Operating income (loss)</b>	(18,000)	(204,545)
<b>Ordinary income (loss)</b>	(28,000)	(318,182)
<b>Net income (loss)</b>	(177,000)	(2,011,364)
	(¥)	
	(US\$ )	
	FY2012	FY2012
<b>Net income per share</b>	(148.03)	(1.682)

\* Underlying Assumption of the Forecast for FY2012

The above forecast is made assuming the exchange rate and the bunker price for FY2012.

Q4/FY2012(Jan.1 2013-Mar.31 2013)

Exchange Rate 1US\$=¥88.00

Bunker Price US\$ 650/MT

( Translation of foreign currencies )

The Japanese yen amounts for Q3/ FY2012 have been translated into U.S. dollars using the prevailing exchange rate at December 31, 2012, which was ¥86.58 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

	Nine months		(Billions of Yen)
	From Apr. 1 to Dec. 31, 2011	From Apr. 1 to Dec. 31, 2012	Year-on-year comparison (variance)
Revenue	1,073.6	1,119.4	45.8/ 4.3%
Operating income (loss)	(18.3)	(11.3)	6.9/ -%
Ordinary income (loss)	(18.6)	(15.7)	2.8/ -%
Net income (loss)	(25.1)	(58.7)	(33.5)/ -%
Exchange rate (nine-month average)	¥79.10/US\$	¥80.07/US\$	¥0.97/US\$
Bunker price (nine-month average)	US\$656/MT	US\$673/MT	US\$17/MT

During the first nine months of the fiscal year (FY) 2012 (April 1, 2012 to December 31, 2012), there were widening concerns about a global economic slowdown resulting from recession in Europe and slowing growth in emerging countries including China. In response, further monetary easing measures were implemented in many countries, and as a consequence the economic stagnation began to show signs of bottoming out.

Although there was economic uncertainty in the U.S. resulting from vehement disagreements between the ruling and opposition political parties regarding the country's fiscal problem, the economy continued to grow firmly, largely due to recovery in the housing market and favorable automobile sales on the back of support from monetary easing and a decline in energy prices. In Europe, insecurity in the financial system eased thanks to progress in developing a financial stability network through combined action by the European Central Bank, the European Commission and the International Monetary Fund. Nevertheless, capital investment and consumption remained weak due to austere fiscal policies and high unemployment rates. In China, the pace of economic growth weakened because of a slump in overseas demand, particularly from Europe. Even so, the economy subsequently began to recover, driven by domestic demand resulting from efforts to boost the economy with fiscal policies aimed at renewing the system, including monetary easing and the promotion of infrastructure investment. With respect to Japan, the pace of economic recovery remained slow because of weak domestic demand including personal consumption and weak overseas demand, particularly from China.

Looking at the maritime shipping market conditions, in the dry bulker market, conditions for all vessel types continued to stagnate because the number of new vessel deliveries was consistently high from the start of 2012, preventing further improvements in the balance of supply and demand. In the Capesize bulker market, however, average hire rates for four main routes recovered to above the US\$15,000 level in October and November, which was the peak period for cargo volumes to China and other areas. Despite this, in December rates fell back below the US\$10,000 level due to expectations of a fall in cargo volume at the start of the new year. Although the crude oil tanker (VLCC) market was weakened by the combined effects of the summer season, during which demand drops off, and weaker cargo volume due to slower economic growth in China, freight rates rose from November in anticipation of the winter demand period. For containerships, freight rate levels weakened from around the middle of the summer, particularly for Asia-Europe routes, reflecting stagnation in Europe and slower growth in China partly caused by the situation in Europe. However, further falls were prevented by a series of measures to restore freight rates.

The average exchange rate against the U.S. dollar during the first nine months depreciated by ¥0.97 year on year to ¥80.07. On the other hand, the average bunker price during the first nine

months rose by US\$17/MT to US\$673/MT, which negatively impacted our profits.

As a result of the above, we recorded revenue for the first nine months of ¥1,119.4 billion, operating loss of ¥11.3 billion and ordinary loss of ¥15.7 billion. Net loss was ¥58.7 billion, mainly reflecting a reversal of deferred tax assets.

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)

	Nine months		Year-on-year comparison (variance)
	From Apr. 1 to Dec. 31, 2011	From Apr. 1 to Dec. 31, 2012	
Bulkships	535.7	542.8	7.0/ 1.3%
	(6.4)	(18.1)	(11.6)/ -%
Containerships	413.7	450.4	36.7/ 8.9%
	(22.6)	(10.0)	12.6/ -%
Ferry and Domestic Transport	39.4	41.7	2.2/ 5.7%
	(0.6)	1.5	2.2/ -%
Associated Businesses	92.7	94.9	2.1/ 2.4%
	7.2	8.7	1.4/ 19.6%
Others	12.1	10.8	(1.2)/ (10.6)%
	3.8	1.8	(2.0)/ (52.1)%

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

#### (A) Bulkships

##### <Dry Bulkers>

Regarding the dry bulker segment, in the Capesize bulker market average hire rates for four main routes, which are released by The Baltic Exchange, recovered to above the US\$15,000 level, supported by firm demand from China and other areas in October and November. This momentum did not last to the end of the year, however, and average rates for the 2012 calendar year fell below the US\$10,000 level, which was their lowest point to date. In the market for Panamax on down, average hire rates for main routes for all vessel types were low throughout the calendar year, generally staying below the US\$10,000 level. This was the result of deep-rooted cautiousness reflecting the large number of new vessel deliveries and drought in North America.

Under these circumstances, although we worked to secure stable profits from long-term contracts for carriers of iron ore, woodchips, steaming coal, etc., and continued efforts to cut costs through efficient vessel operation, a loss was recorded in the dry bulker segment for the first nine months.

##### <Tankers/LNG Carriers>

In the tanker segment, the crude oil tanker (VLCC) market was weakened by a seasonal drop off in demand in line with oil refineries in multiple Asian countries undergoing periodic maintenance, and the long-standing stagnation in the market continued due to weakened crude oil demand in line with slower economic growth in China and supply pressure from newly delivered vessels. Although conditions finally improved from around November, when there were signs that companies were increasingly building up inventories in preparation for the winter demand period, particularly in China, this improvement was limited and the market continued to stagnate from December.

The product tanker market experienced a recovery from October, particularly in Pacific Ocean routes. The primary reasons for this were naphtha demand in Asia, gasoline demand partly driven

by a fire at an oil refinery in the west coast of the U.S., winter demand for fuel, the suspension of operations at an Australian oil refinery, and firm transportation demand in the Far East, mainly Japan and South Korea.

Under these circumstances, although we continued such efforts as reducing fuel costs by enhancing slow steaming and improving operation efficiency by setting up pools with other operators, a loss was recorded in the tanker segment for the first nine months.

In the LNG carrier segment, cargo volume was firm as a result of stable LNG demand in Japan and other areas of Asia. Ordinary income for the first nine months increased year on year as stable revenue was secured from long-term transport contracts.

#### <Car Carriers>

In the car carrier segment, exports of completed cars from Japan continued to be less than those of the previous year from the summer, and a recovery in exports to Europe remained elusive. Nevertheless, as a result of continued efforts to strengthen cross trade and increase vessel allocation efficiency, there was a significant improvement in ordinary income/loss compared with the same period of the previous fiscal year, which was affected by the Great East Japan Earthquake.

#### (B) Containerships

Regarding containerships, growth in cargo volume was restrained and freight rate levels became weak in the summer demand period and after, particularly for Asia-Europe routes, and we worked to raise freight rate levels for two consecutive months, in November and December. Although we implemented all-round cost cutting and worked to improve operation efficiency amid continuing severity in the supply and demand environment, a loss was recorded in this segment for the first nine months.

#### (C) Ferry and Domestic Transport

The ferry business showed a large improvement in ordinary income/loss thanks to a return to normal operations following the impact of the Great East Japan Earthquake in the previous fiscal year. The domestic transport business showed a firm performance due to continued demand in the energy transportation-related field. Overall, the ferry and domestic transport segment achieved considerable year-on-year improvement in ordinary income/loss.

#### (D) Associated Businesses

In the real estate business, against a backdrop of ongoing high vacancy rates in the rental office market, Daibiru Corporation, the core company in the MOL Group's real estate business, achieved high occupancy rates, helping to maintain solid results. In the cruise ship business, the number of passengers grew as a result of vigorous sales development, and there was a year-on-year improvement in the overall results of other associated businesses. As a result, ordinary income in the associated businesses segment increased year on year.

#### (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 December 31, 2012, were 2,054.4 billion yen, an increase of 108.2 billion yen from the end of the previous fiscal year.

This mainly reflects an increase in cash and deposits and an increase in other long-term assets due to an increase in derivatives by a depreciation of the yen.

Consolidated liabilities as of December 31, 2012, were 1,381.7 billion yen, an increase of 153.4 billion yen from the end of the previous fiscal year. This was mainly due to an increase in bonds, long-term bank loans for acquisition of newly completed vessels and deferred tax liabilities.

Consolidated net assets as of December 31, 2012, were 672.7 billion yen, a decrease of 45.1 billion yen from the end of the previous fiscal year. This was mainly due to a decrease in retained earnings, although unrealized losses on hedging derivatives decreased.

As a result, shareholder's equity ratio was 28.8%, down 4.0% from the end of the previous fiscal year.

## 6. Outlook for FY2012

For FY2012

(Billions of Yen)

	Previous outlook (When announced 2Q)	Latest outlook (When announced 3Q)	Comparison (variance)
Revenue	1,500.0	1,510.0	10.0/ 0.7%
Operating income (loss)	(13.0)	(18.0)	(5.0)/ -%
Ordinary income (loss)	(22.0)	(28.0)	(6.0)/ -%
Net income (loss)	(24.0)	(177.0)	(153.0)/ -%

Exchange rate	¥80.00/US\$	¥88.00/US\$	¥8.00/US\$
Bunker price	US\$650/MT	US\$650/MT	US\$-/MT
	(Assumption for 3/4Q)	(Assumption for 4Q)	

For FY2012, taking into consideration the financial results for the first nine months and our projection that the difficult business environment will continue, and factoring in the recording of costs associated with business structural reforms for dry bulkers and tankers in the fourth quarter, we project that our consolidated financial results will be considerably lower than our previous outlook. Accordingly, we project consolidated revenue of ¥1,510.0 billion, consolidated operating loss of ¥18.0 billion, consolidated ordinary loss of ¥28.0 billion, and consolidated net loss of ¥177.0 billion.

In light of this significant downward revision in our outlook for the full fiscal year, we plan not to pay a year-end dividend for FY2012.

As mentioned above, changes have been made to the outlook released on October 31, 2012. See the announcements "Reversal of Deferred Tax Assets," "Revision of FY2012 Outlook," "Costs of Business Structural Reforms" and "Year-End Dividend Forecast" released today (January 31, 2013).

## 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, 2012	As of December 31, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	50,864	129,920
Trade receivables	130,921	150,251
Marketable securities	10,023	17,026
Inventories	54,335	49,460
Deferred and prepaid expenses	53,744	58,325
Deferred tax assets	4,594	1,301
Other current assets	82,852	62,244
Allowance for doubtful accounts	(401)	(417)
<b>Total Current Assets</b>	<b>386,936</b>	<b>468,113</b>
Fixed assets		
Tangible fixed assets		
Vessels	822,280	833,826
Buildings and structures	124,294	120,258
Equipments, mainly containers	9,210	8,799
Equipments and parts	3,597	4,502
Land	215,958	216,567
Vessels and other property under construction	116,724	118,831
Other tangible fixed assets	1,735	2,194
<b>Total tangible fixed assets</b>	<b>1,293,802</b>	<b>1,304,979</b>
Intangible fixed assets	16,193	21,335
Investments and other assets		
Investment securities	172,746	161,643
Long-term loans receivable	19,166	21,728
Prepaid expenses	20,479	20,237
Deferred tax assets	11,692	3,903
Other long-term assets	27,696	54,644
Allowance for doubtful accounts	(2,551)	(2,150)
<b>Total investments and other assets</b>	<b>249,228</b>	<b>260,007</b>
<b>Total fixed assets</b>	<b>1,559,225</b>	<b>1,586,322</b>
<b>Total assets</b>	<b>1,946,161</b>	<b>2,054,436</b>

(¥Million)

	As of March 31, 2012	As of December 31, 2012
<b>Liabilities</b>		
Current liabilities		
Trade payables	133,599	143,698
Short-term bonds	4,190	17,054
Short-term bank loans	101,012	115,376
Accrued income taxes	6,112	5,032
Advances received	19,808	25,083
Deferred tax liabilities	902	907
Allowance for bonuses	3,928	2,250
Allowance for directors' bonuses	152	51
Allowance for losses related to U.S. antitrust matter	151	—
Commercial paper	5,000	8,500
Other current liabilities	47,993	46,153
<b>Total Current Liabilities</b>	<b>322,851</b>	<b>364,109</b>
Fixed liabilities		
Bonds	187,030	213,666
Long-term bank loans	552,156	614,071
Lease obligations	19,011	18,851
Deferred tax liabilities	18,732	62,758
Allowance for employees' severance and retirement benefits	13,766	13,364
Allowance for directors' and corporate auditors' retirement benefits	2,159	1,830
Allowance for special repairs	14,058	15,420
Other fixed liabilities	98,484	77,639
<b>Total Fixed Liabilities</b>	<b>905,401</b>	<b>1,017,602</b>
<b>Total Liabilities</b>	<b>1,228,252</b>	<b>1,381,712</b>
<b>Net Assets</b>		
Owners' equity		
Common stock	65,400	65,400
Capital surplus	44,486	44,489
Retained earnings	629,667	567,962
Treasury stock, at cost	(7,151)	(7,002)
<b>Total owners' equity</b>	<b>732,402</b>	<b>670,850</b>
Accumulated gains (losses) from valuation and translation adjustments		
Unrealized holding gains on available for-sale-securities, net of tax	16,888	16,573
Unrealized gains (losses) on hedging derivatives, net of tax	(54,936)	(35,212)
Foreign currency translation adjustments	(56,932)	(60,428)
<b>Total accumulated losses from valuation and translation adjustments</b>	<b>(94,980)</b>	<b>(79,067)</b>
Share subscription rights	2,005	2,115
Minority interests	78,481	78,825
<b>Total Net Assets</b>	<b>717,909</b>	<b>672,724</b>
<b>Total Liabilities and Total Net Assets</b>	<b>1,946,161</b>	<b>2,054,436</b>

**(2) Consolidated Statements of Income**

(¥Million)

	Q3 / FY2011 (Apr.1 - Dec.31, 2011)	Q3 / FY2012 (Apr.1 - Dec.31, 2012)
Shipping and other operating revenues	1,073,671	1,119,490
Shipping and other operating expenses	1,023,633	1,065,754
Gross operating income	50,037	53,736
Selling, general and administrative expenses	68,413	65,116
Operating income (loss)	(18,375)	(11,380)
Non-operating income:		
Interest income	779	1,079
Dividend income	5,827	3,002
Equity in earnings of affiliates	2,594	—
Gain on sale of containers	1,223	2,279
Others	2,943	2,410
Total	13,367	8,772
Non-operating expenses:		
Interest expense	8,253	9,311
Equity in losses of affiliates	—	2,867
Exchange loss	2,714	98
Others	2,695	913
Total	13,662	13,191
Ordinary income (loss)	(18,669)	(15,799)
Extraordinary profit:		
Gain on sale of fixed assets	6,877	8,974
Cancellation fee for chartered ships	86	1,761
Others	1,930	1,632
Total	8,894	12,369
Extraordinary loss:		
Loss on sale of fixed assets	366	2,689
Loss on retirement of fixed assets	1,052	550
Impairment Loss	1,685	5,434
Loss on valuation of investment securities	14,494	2,883
Others	2,626	1,308
Total	20,224	12,867
Income (loss) before income taxes and minority interests	(29,999)	(16,298)
Income taxes	(8,076)	38,872
Income (loss) before minority interests	(21,923)	(55,170)
Minority interests in earnings of consolidated subsidiaries	3,218	3,542
Net income (loss)	(25,141)	(58,713)



**(3) Consolidated Statements of Comprehensive Income**

(¥Million)

	Q3 / FY2011 (Apr.1 - Dec.31, 2011)	Q3 / FY2012 (Apr.1 - Dec.31, 2012)
<b>Income (Loss) before minority interests</b>	(21,923)	(55,170)
<b>Other comprehensive income</b>		
Unrealized holding gains (losses) on available-for-sale securities, net of tax	(3,163)	(30)
Unrealized gains (losses) on hedging derivatives, net of tax	(14,879)	20,263
Foreign currency translation adjustments	(6,042)	(1,269)
Share of other comprehensive income of associates accounted for using equity method	(9,321)	(3,206)
Total	(33,407)	15,757
<b>Comprehensive income</b>	(55,330)	(39,413)
(Breakdown)		
Comprehensive income attributable to owners of the parent	(57,041)	(42,800)
Comprehensive income attributable to minority interests	1,711	3,386

**(4) Consolidated Statements of Cash Flows**

(¥ Million)

	Q3 / FY2011 (Apr.1 - Dec.31, 2011)	Q3 / FY2012 (Apr.1 - Dec.31, 2012)
<b>Cash flows from operating activities:</b>		
Income (loss) before income taxes and minority interests	(29,999)	(16,298)
Depreciation and amortization	62,683	68,425
Impairment loss	1,685	5,434
Equity in (earnings) losses of affiliates	(2,594)	2,867
Loss(gain) on valuation of investment securities	14,494	2,883
Various provisions (reversals)	(5,706)	(1,315)
Interest and dividend income	(6,606)	(4,081)
Interest expenses	8,253	9,311
Loss (gain) on the sale of investment securities	(224)	206
Loss (gain) on sale and retirement of vessels, property, plant and equipment	(5,458)	(5,734)
Exchange (earning) loss,net	2,703	3,367
Changes in operating assets and liabilities		
— Trade receivables	(3,700)	(19,258)
— Inventories	(4,210)	4,868
— Trade payables	1,709	9,973
Other,net	(5,929)	(12,596)
Sub total	27,098	48,054
Cash received from interest and dividend	12,699	7,082
Cash paid for interest	(8,294)	(9,967)
Cash (paid) refund for corporate income tax, resident tax and enterprise tax	(42,602)	1,824
Net cash provided by (used in) operating activities	(11,099)	46,994
<b>Cash flows from investing activities:</b>		
Purchase of investment securities	(1,057)	(934)
Proceeds from sale and redemption of investment securities	677	893
Payments for purchases of vessels and other tangible / intangible fixed assets	(132,244)	(125,037)
Proceeds from sale of vessels and other tangible / intangible fixed assets	28,247	42,602
Net (increase) decrease in short-term loans receivable	(1,935)	(7,745)
Disbursements for loans receivable	(1,245)	(4,258)
Collections of loans receivable	7,838	1,721
Other, net	(1,456)	(726)
Net cash provided by (used in) investing activities	(101,177)	(93,485)
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in short-term bonds	25	—
Net increase (decrease) in short-term bank loans	(7,730)	(6,543)
Net increase (decrease) in commercial paper	(8,000)	3,500
Proceeds from long-term bank loans	190,995	136,359
Repayments of long-term bank loans	(87,453)	(56,517)
Proceeds from issuance of bonds	30,000	45,000
Redemption of bonds	(8,128)	(5,717)
Purchase of treasury stock	(24)	(12)
Sale of treasury stock	28	18
Cash dividends paid by the company	(9,050)	(3,044)
Cash dividends paid to minority interests	(1,243)	(2,927)
Other, net	1,870	(884)
Net cash provided by (used in) financing activities	101,288	109,232
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(2,803)	470
<b>Net increase (decrease) in cash and cash equivalents</b>	(13,791)	63,211
<b>Cash and cash equivalents at beginning of the year</b>	65,477	82,837
<b>Cash and cash equivalents at end of period</b>	51,685	146,049

**(5) Segment Information**

Business segment information:

(¥Million)

Q3 / FY2011 (Apr.1 - Dec.31, 2011)	Segment report					Others *1	Total	Adjust- ment *2	Consoli- dated *5
	Bulk- ships	Container - ships	Ferry & Domestic Transport	Associated Businesses	Sub Total				
Revenues									
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	535,033	412,468	39,327	80,978	1,067,807	5,863	1,073,671	-	1,073,671
2.Inter-segments revenues	738	1,255	159	11,730	13,885	6,298	20,183	(20,183)	-
Total Revenues	535,772	413,723	39,486	92,709	1,081,692	12,162	1,093,855	(20,183)	1,073,671
Segment income(loss)	(6,443)	(22,653)	(654)	7,297	(22,454)	3,881	(18,573)	(96)	(18,669)

(¥Million)

Q3 / FY2012 (Apr.1 - Dec.31, 2012)	Segment report					Others *1	Total	Adjust- ment *3	Consoli- dated *5
	Bulk- ships	Container - ships	Ferry & Domestic Transport	Associated Businesses	Sub Total				
Revenues									
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	542,012	449,213	41,591	81,471	1,114,289	5,201	1,119,490	-	1,119,490
2.Inter-segments revenues	857	1,273	146	13,437	15,715	5,668	21,384	(21,384)	-
Total Revenues	542,870	450,487	41,737	94,909	1,130,004	10,870	1,140,875	(21,384)	1,119,490
Segment income (loss)	(18,127)	(10,042)	1,554	8,725	(17,890)	1,858	(16,032)	233	(15,799)

\* 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 loss (-96 million yen) include the following element:-1,490 million yen of corporate loss which is unable to be distributed to each segment, 2,208 million yen of adjustment for management accounting, -814 million yen of intersegment transaction elimination.

\* 3. The adjustment of segment income (233 million yen) include the following element:-2,913 million yen of corporate loss which is unable to be distributed to each segment, 3,516 million yen of adjustment for management accounting, -369 million yen of intersegment transaction elimination.

\* 4. The method of allocating general and administrative expenses was changed from the first quarter of FY2012 to reflect global expansion of our business locations on segment information appropriately. In case of calculating allocation of general and administrative expenses of the third quarter of FY2011 by the modified method, segment loss would be decreased by 1,647 million yen in "Bulk-ships", 546 million yen in "Container-ships", 58 million yen in "Ferry & Domestic Transport". And segment income would be increased by 70 million yen in "Associated Business" and decreased by 23 million yen in "Others", 2,297 million yen in "Adjustment".

\* 5. The segment income (loss) is the ordinary income (loss), and the consolidated statements of income mentions the total figure after the adjustment.

## Supplement

### 1. Review of Quarterly Results

FY2012

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Apr. ~ Jun., 2012	Jul. ~ Sep., 2012	Oct. ~ Dec., 2012	Jan. ~ Mar., 2013
Revenues [ ¥ Million]	378,850	378,118	362,522	
Operating income (loss)	(503)	(1,876)	(9,001)	
Ordinary income (loss)	(1,538)	(5,255)	(9,006)	
Income (Loss) before income taxes	(5,811)	(4,289)	(6,198)	
Net income (loss)	(5,020)	(8,062)	(45,631)	
Net income (loss) per share [ ¥]	(4.20)	(6.74)	(38.16)	
Total Assets [ ¥ Million]	1,988,564	2,039,542	2,054,436	
Total Net Assets	698,541	673,131	672,724	

FY2011

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Apr. ~ Jun., 2011	Jul. ~ Sep., 2011	Oct. ~ Dec., 2011	Jan. ~ Mar., 2012
Revenues [ ¥ Million]	349,113	368,232	356,326	361,549
Operating income (loss)	(8,643)	(1,411)	(8,321)	(6,084)
Ordinary income (loss)	(8,356)	(3,744)	(6,569)	(5,651)
Income (Loss) before income taxes	(5,643)	(11,940)	(12,416)	(3,517)
Net income (loss)	(8,047)	(8,416)	(8,678)	(868)
Net income (loss) per share [ ¥]	(6.73)	(7.04)	(7.26)	(0.73)
Total Assets [ ¥ Million]	1,897,714	1,911,808	1,890,477	1,946,161
Total Net Assets	719,521	697,365	674,922	717,909

2. Depreciation and Amortization

	Nine months ended Dec. 31,2011	Nine months ended Dec. 31,2012	Increase /Decrease	(Million yen) FY2011
Vessels	51,210	57,158	5,948	70,149
Others	11,473	11,267	(206)	15,475
Total	62,683	68,425	5,742	85,624

3. Interest-bearing Debt

	As of Mar. 31,2012	As of Dec.31,2012	Increase /Decrease	(Million yen) As of Dec. 31, 2011
Bank loans	653,168	729,447	76,279	593,379
Bonds	191,221	230,720	39,499	191,136
Commercial paper	5,000	8,500	3,500	13,500
Others	20,229	19,871	(358)	19,411
Total	869,619	988,539	118,920	817,428

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	77	6,225	82	12,976	27	1,883	53	854	23	1,519
Chartered	323	28,245	110	5,216	-	-	76	1,213	90	4,759
Others	-	-	-	-	3	221	-	-	-	-
As of Dec.31,2012	400	34,470	192	18,102	30	2,104	129	2,067	113	6,278
As of Mar.31,2012	392	34,911	195	17,718	31	2,172	128	2,055	115	6,205

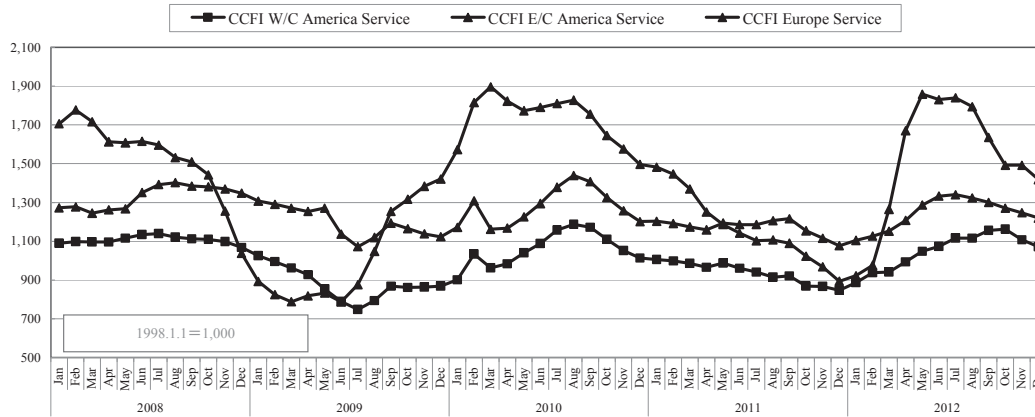
	Ferries/Domestic carriers(*1)		Passenger ships		Others		Total	
	No. of ships	1,000MT	No. of ships	1,000MT	No. of ships	1,000MT	No. of ships	1,000MT
Owned	15	79	1	5	1	6	279	23,546
Chartered	29	81	-	-	2	13	630	39,438
Others	2	1	-	-	-	-	5	222
As of Dec.31,2012	46	162	1	5	3	19	914	63,206
As of Mar.31,2012	45	158	1	5	3	19	910	63,242

\*1:excluding tug boats

## 5. Market Information

### (1) Containership Market (China Containerized Freight Index)

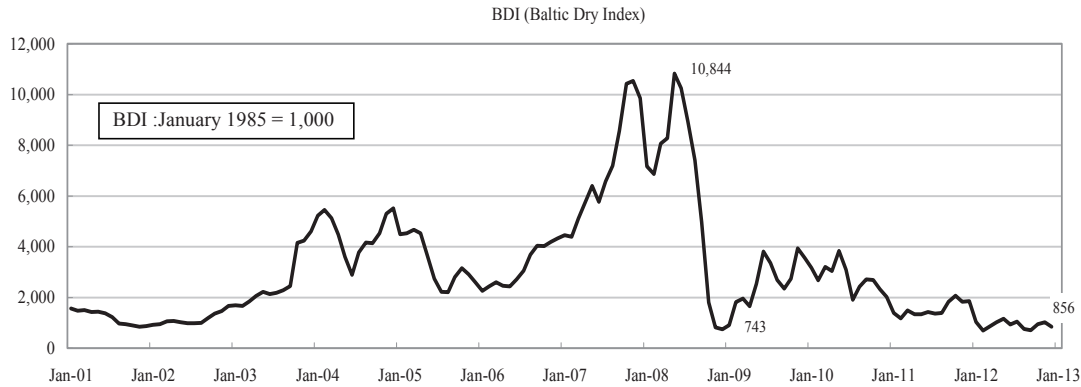
Source : Shanghai Shipping Exchange



\* 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. Therefore, this information is provided and updated only for reference purposes.

### (2) Dry Bulk Market (Baltic Dry Index) [Monthly Average]

Source : Tramp Data Service



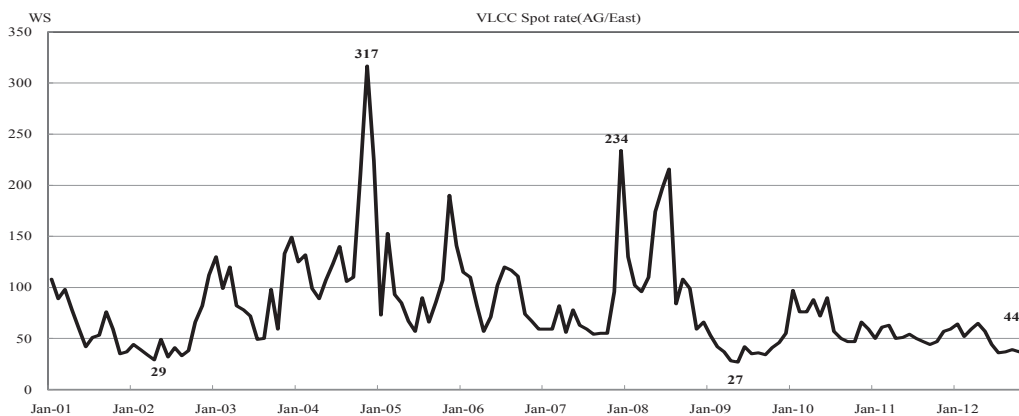
(Calendar Year)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Maximum	1,734	1,566	1,666	4,609	5,519	4,678	4,336	10,543	10,830	3,941	3,838	2,072	1,170
Minimum	1,371	855	931	1,674	2,902	2,207	2,262	4,398	743	905	1,910	1,181	703
Average	1,606	1,215	1,144	2,634	4,521	3,380	3,188	7,090	6,346	2,613	2,761	1,548	924

(Jan. ~ Dec.)

### (3) VLCC Market [Monthly Average]

Source : Drewry, RIM etc.



(Calendar Year)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Maximum	168	108	112	149	317	190	120	234	216	55	97	63	65
Minimum	55	35	29	49	89	57	57	54	59	27	47	44	36
Average	110	66	50	93	149	101	90	79	120	40	69	53	49

(Jan. ~ Nov.)