October 31 , 2012

Mitsui O.S.K. Lines,Ltd.

Financial Highlights: The Second Quarter Ended September 30, 2012

1. Consolidated Financial Highlights (from April 1, 2012 to September 30, 2012)

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

(1) Operational Results

	(￥Million)		(US$ Thousand)
	Q2/ FY2012	Q2/ FY2011	Q2/ FY2012
Revenues	756,968	717,345	9,754,742
Operating income	(2,379)	(10,054)	(30,657)
Ordinary income	(6,793)	(12,100)	(87,539)
Net income	(13,082)	(16,463)	(168,582)
		(￥)	(US$)
Net income per share	(10.94)	(13.77)	(0.141)
Diluted net income per share	―	―	―

(2) Financial Position

	(￥Million)		(US$ Thousand)
	Q2/ FY2012	FY2011	Q2/ FY2012
Total Assets	2,039,542	1,946,161	26,282,758
Total Net Assets	673,131	717,909	8,674,369
Shareholders' Equity / Total assets	29.1%	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
FY2011	2.50	2.50	5.00
FY2012	0.00		
FY2012 (Forecast)		―	―

* Forecast of dividends has yet to be determined.

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

	(￥Million)	(US$ Thousand)
	FY2012	FY2012
Revenues	1,500,000	18,750,000
Operating income (loss)	(13,000)	(162,500)
Ordinary income (loss)	(22,000)	(275,000)
Net income (loss)	(24,000)	(300,000)
	(￥)	(US$)
	FY2012	FY2012
Net income per share	(20.07)	(0.251)

* Underlying Assumption of the Forecast for FY2012
The above forecast is made assuming the exchange rate and the bunker price for FY2012.

Q3,Q4/FY2012(Oct.1 2012-Mar.31 2013)
Exchange Rate 1US$=￥80.00 Bunker Price US$ 650/MT

(Translation of foreign currencies)
The Japanese yen amounts for Q2/ FY2012 have been translated into U.S. dollars using the prevailing exchange rate at September 30, 2012, which was ￥77.60 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.)

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4. Business Performance

(Billions of Yen)

	Six months		Year-on-year comparison (variance)
	From Apr. 1 to Sep. 30, 2011	From Apr. 1 to Sep. 30, 2012	
Revenue	717.3	756.9	39.6/ 5.5%
Operating income (loss)	(10.0)	(2.3)	7.6/ —%
Ordinary income (loss)	(12.1)	(6.7)	5.3/ —%
Net income (loss)	(16.4)	(13.0)	3.3/ —%
Exchange rate (six-month average)	¥80.26/US$	¥80.19/US$	¥(0.07)/US$
Bunker price (six-month average)	US$645/MT	US$681/MT	US$36/MT

During the first six months of the fiscal year (FY) 2012 (April 1, 2012 to September 30, 2012), concerns about economic slowdown spread globally, leading to the implementation of further monetary easing measures to stimulate the economies of many countries.
In Europe, insecurity in the financial system eased temporarily on the back of financial support measures including the European Central Bank’s announcement of a policy of support buying government bonds and the launch of the European Stability Mechanism. Nevertheless, capital investment and consumption remained weak due to austere fiscal policies and high unemployment rates. Although the U.S. is for the present experiencing continued moderate growth against a backdrop of recovery in the housing market, favorable automobile sales and a decline in energy prices, a third round of quantitative easing (“QE3”) has been announced in response to the slow pace of recovery in employment, which reflects concerns about the direction of the economy. In China, although efforts were made to boost the economy with monetary easing and the promotion of infrastructure investment, the pace of economic growth weakened because of downward pressure on the domestic economy from a slump in overseas demand, particularly from Europe. With respect to Japan, although domestic demand was firm primarily on the back of automobile sales and earthquake-related restoration demand, the pace of economic recovery remained slow because of weak overseas demand, particularly from China.

Looking at the maritime shipping market conditions, in the dry bulker market, deliveries of new vessels remained at a record high, preventing further improvements in the balance of supply and demand, and the markets for Capesize and Panamax bulkers in particular remained at rock bottom levels. Despite performing firmly at the start of the period, the crude oil tanker (VLCC) market stagnated due to the combined effects of summer season, during which demand drops off, and weaker cargo volume due to slower economic growth in China. As for containerships, efforts were made to increase operation efficiency by such means as reorganizing global alliances and enhancing super-slow steaming. As a result, the supply and demand environment improved and progress was made in the restoration of freight rates. Even so, in addition to stagnation in Europe and slower growth in China partly caused by the situation in Europe, there was a slowdown in cargo volumes to European routes, and freight rate levels weakened.

The average exchange rate against the U.S. dollar during the first six months appreciated by ¥0.07 year on year to ¥80.19. Furthermore, the average bunker price during the first six months rose by US$36/MT to US$681/MT, which negatively impacted our profits.

As a result of the above, we recorded revenue for the first six months of ¥756.9 billion, operating loss of ¥2.3 billion and ordinary loss of ¥6.7 billion. Net loss was ¥13.0 billion, partly due to a ¥7.4 billion loss on valuation of investment securities caused by the decline in stock market prices.

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

(Unaudited translation of 'kessan tanshin', provided for reference only)

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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, 2011	From Apr. 1 to Sep. 30, 2012	
Bulkships	353.9	369.8	15.9 / 4.5%
	(6.1)	(10.9)	(4.7) / −%
Containerships	282.7	303.7	20.9 / 7.4%
	(10.5)	(2.6)	7.8 / −%
Ferry and Domestic Transport	25.2	27.4	2.2 / 8.9%
	(1.2)	0.7	1.9 / −%
Associated Businesses	61.6	62.8	1.1 / 1.9%
	4.7	5.7	1.0 / 21.8%
Others	8.0	7.5	(0.5) / (6.3) %
	1.0	0.9	(0.0) / (8.7) %

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

(A) Bulkships

<Dry Bulkers>

In the dry bulker segment, deliveries of new vessels remained at a record high. Consequently, there were no further improvements in the balance of supply and demand, despite an increase in the shipping tonnage of vessels scrapped, and the market stagnated as a result. The Capesize bulker market remained at bottom levels, partly because of reduced crude steel production in European regions and peaking crude steel production in China. The Panamax market experienced similar stagnation. This was primarily the result of downwards pressure from the stagnating Capesize bulker market, weak cargo volume to Asia, and a steep increase in shipping tonnage due to the large number of new vessel deliveries. As a consequence, average Panamax hire rates for four main routes, which are released by The Baltic Exchange, reached their lowest point to date in late September.

Under such environment, in the dry bulker segment, we secured stable profits through long-term contracts for carriers of iron ore, woodchips, steaming coal, etc., and continued to cut costs through efficient vessel operations and cold lay-ups of Capesize bulkers. We also proactively scrapped Capesize bulkers and woodchip carriers, worked to renew our fleet and improve its quality, and strove to provide high-quality transportation services. Despite these efforts, a loss was recorded in this segment for the first six months.

<Tankers/LNG Carriers>

Regarding the tanker segment, the crude oil tanker (VLCC) market struggled following a seasonal drop off in demand in line with oil refineries in multiple Asian countries undergoing periodic maintenance, despite its firm performance at the start of the period. In addition, cargo volume was weak, partly because of a perceived excessive inventory of oil products resulting from slower economic growth in China. This resulted in a renewed awareness of supply pressure from newly delivered vessels, leading to market stagnation.

In the product tanker market, the fundamental balance of supply and demand trended towards improvement; operations in some waters, like in the Far East, showed signs of continued strength temporarily. Even so, the perception of an oversupply of vessels lingered due to weakness in cargo volume caused by economic malaise in Europe and stagnation in arbitrage-trading. As a result, the market stood still.

Although we responded to this situation by such means as reducing fuel costs by further 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 six months.

The LNG carrier segment performed firmly owing to the limited number of deliveries of newly built LNG carriers and stable LNG demand in Japan and other areas of Asia. Ordinary income for the first six months increased year on year as stable revenue was secured from long-term transport contracts.

<Car Carriers>
In the car carrier segment, despite firm exports of completed cars from Japan to the U.S. and Australia, shipments to Europe failed to reach a full-fledged recovery, primarily due to the impact of economic stagnation in Europe. On the other hand, strengthened cross trade and the firm performance of Asia-bound transport from Europe contributed to a significant improvement in ordinary income/loss compared with the same period of the previous fiscal year when the impact of the Great East Japan Earthquake existed.

(B) Containerships
Regarding containerships, we worked to expand alliances and rationalize our services, while the supply and demand environment gradually improved from the beginning of spring and progress was made in restoring freight rates. In addition, we continued to enhance super-slow steaming and made strong efforts to promote cost cutting. Regarding Asia-Europe routes, however, growth in cargo volume was restrained and freight rate levels became weak in the summer demand season and after. As a result, although year-on-year improvement was achieved, a loss was recorded for the first six months.

(C) Ferry and Domestic Transport
The ferry business showed a large improvement in ordinary income/loss. This was the result of the return to normal operations of the Oarai Ferry Terminal in Ibaraki Prefecture on the Hokkaido route in the current fiscal year. The terminal was damaged in the Great East Japan Earthquake, making it unusable until early June in the previous fiscal year. The domestic transport business secured ordinary income/loss in excess of the same period of the previous fiscal year because the energy transportation-related field continued to yield strong results. 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, while the rental office market failed to reach a full-fledged recovery, Daibiru Corporation, the core company in the MOL Group’s real estate business, maintained high occupancy rates, allowing us to sustain a stable performance. In the cruise ship business, although sales efforts began to have an effect, we were unable to secure our target number of passengers. Consequently, despite achieving year-on-year improvement, a loss was recorded. Apart from the cruise ship business, results from other associated businesses were firm overall. 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 September 30, 2012, were 2,039.5 billion yen, an increase of 93.3 billion yen from the end of the previous fiscal year.
This mainly reflects an increase in vessels due to delivery of newly completed vessels as well as an increase in other current assets due to an increase in short-term loans receivable including repurchase agreement, although investment securities decreased.
Consolidated liabilities as of September 30, 2012, were 1,366.4 billion yen, an increase of 138.1 billion yen from the end of the previous fiscal year. This was mainly due to an increase in bonds and long-term bank loans for acquisition of newly completed vessels.
Consolidated net assets as of September 30, 2012, were 673.1 billion yen, a decrease of 44.7 billion yen from the end of the previous fiscal year. This was mainly due to a decrease in retained earnings and unrealized holding gains on available-for-sale securities and an increase in unrealized losses on hedging derivatives.
As a result, shareholder’s equity ratio was 29.1%, down 3.7% from the end of the previous fiscal year.

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6. Outlook for FY2012

For FY2012 (Billions of Yen)

	Previous outlook (When announced 1Q)	Latest outlook (When announced 2Q)	Comparison (variance)
Revenue	1,550.0	1,500.0	(50.0)/(3.2) %
Operating income (loss)	16.0	(13.0)	(29.0)/ －%
Ordinary income (loss)	10.0	(22.0)	(32.0)/ －%
Net income (loss)	3.0	(24.0)	(27.0) / －%

Exchange rate	¥80.00/US$	¥80.00/US$	¥0.00/US$
Bunker price	US$630/MT	US$650/MT	US$20/MT
	(Assumption for 3/4Q)	(Assumption for 3/4Q)	

For the third quarter and beyond, we project that the business environment will continue to be difficult, characterized by the yen remaining strong and bunker prices remaining at high levels in the long term, pressure from large numbers of new vessel deliveries and a slow recovery of European economies. However, firm cargo volumes of iron ore and coal are expected in the dry bulker segment, while market conditions for the tanker segment are expected to improve toward the winter demand period. In addition, we will continue pushing ahead with rationalization efforts in the containership business, including reducing the frequency of services, as well as reorganizing and/or expanding shipping routes. Through these efforts, we will work to maintain and improve the supply and demand environment and to improve our results for FY2012.

In consideration of these prospects, we project for FY2012 consolidated revenue of ¥1,500.0 billion, consolidated operating loss of ¥13.0 billion, consolidated ordinary loss of ¥22.0 billion, and consolidated net loss of ¥24.0 billion.

Considering consolidated ordinary loss of ¥6.7 billion for the first six months of FY2012, we have decided not to pay an interim dividend for this fiscal year. In consideration of continuing uncertainty in the business environment surrounding the Company, we have not yet made a decision on our year-end dividend for FY2012 at this stage.

As to the outlook changes from the release on July 31,2012.,please look at “Announcement of Differences between the Financial Outlook and Financial Results for 1st half of FY2012 and Revision of FY2012 Outlook”.

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 September 30, 2012
Assets		
Current assets		
Cash and deposits	50,864	52,510
Trade receivables	130,921	143,091
Marketable securities	10,023	34,025
Inventories	54,335	52,584
Deferred and prepaid expenses	53,744	52,448
Deferred tax assets	4,594	4,940
Other current assets	82,852	126,106
Allowance for doubtful accounts	(401)	(501)
Total Current Assets	386,936	465,206
Fixed assets		
Tangible fixed assets		
Vessels	822,280	856,736
Buildings and structures	124,294	121,788
Equipments,mainly containers	9,210	8,780
Equipments and parts	3,597	3,926
Land	215,958	216,580
Vessels and other property under construction	116,724	108,564
Other tangible fixed assets	1,735	2,291
Total tangible fixed assets	1,293,802	1,318,668
Intangible fixed assets	16,193	20,295
Investments and other assets		
Investment securities	172,746	148,100
Long-term loans receivable	19,166	21,708
Prepaid expenses	20,479	20,346
Deferred tax assets	11,692	22,275
Other long-term assets	27,696	25,229
Allowance for doubtful accounts	(2,551)	(2,288)
Total investments and other assets	249,228	235,371
Total fixed assets	1,559,225	1,574,335
Total assets	1,946,161	2,039,542

(￥Million)

	As of March 31, 2012	As of September 30, 2012
Liabilities		
Current liabilities		
Trade payables	133,599	137,931
Short-term bonds	4,190	5,652
Short-term bank loans	101,012	115,816
Accrued income taxes	6,112	5,583
Advances received	19,808	19,351
Deferred tax liabilities	902	907
Allowance for provision for bonuses	3,928	3,493
Allowance for provision for directors' bonuses	152	33
Allowance for provision for loss related to U.S. antitrust matter	151	142
Commercial paper	5,000	3,500
Other current liabilities	47,993	49,486
Total Current Liabilities	322,851	341,898
Fixed liabilities		
Bonds	187,030	226,410
Long-term bank loans	552,156	608,750
Lease obligations	19,011	19,315
Deferred tax liabilities	18,732	18,196
Allowance for employees' severance and retirement benefits	13,766	13,531
Allowance for directors' and corporate auditors' retirement benefits	2,159	1,706
Allowance for provision for special repairs	14,058	14,111
Other fixed liabilities	98,484	122,488
Total Fixed Liabilities	905,401	1,024,511
Total Liabilities	1,228,252	1,366,410
Net Assets		
Owners' equity		
Common stock	65,400	65,400
Capital surplus	44,486	44,496
Retained earnings	629,667	613,592
Treasury stock, at cost	(7,151)	(7,006)
Total owners' equity	732,402	716,483
Accumulated gains (losses) from valuation and translation adjustments		
Unrealized holding gains on available for-sale-securities, net of tax	16,888	9,419
Unrealized gains (losses) on hedging derivatives, net of tax	(54,936)	(76,470)
Foreign currency translation adjustments	(56,932)	(56,235)
Total accumulated losses from valuation and translation adjustments	(94,980)	(123,286)
Share subscription rights	2,005	2,115
Minority interests	78,481	77,820
Total Net Assets	717,909	673,131
Total Liabilities and Total Net Assets	1,946,161	2,039,542

(2) Consolidated Statements of Income

(¥Million)

	Q2 / FY2011 (Apr.1 - Sep.30, 2011)	Q2 / FY2012 (Apr.1 - Sep.30, 2012)
Shipping and other operating revenues	717,345	756,968
Shipping and other operating expenses	680,474	716,043
Gross operating income	36,871	40,924
Selling, general and administrative expenses	46,926	43,303
Operating income (loss)	(10,054)	(2,379)
Non-operating income:		
Interest income	721	521
Dividend income	1,782	1,916
Equity in earnings of unconsolidated subsidiaries and affiliated	1,545	—
Gain on sale of containers	1,159	2,239
Others	1,949	1,624
Total	7,158	6,302
Non-operating expenses:		
Interest expense	5,567	6,123
Equity in losses of unconsolidated subsidiaries and affiliated companies	—	2,243
Exchange loss	1,949	1,247
Loss on valuation of derivatives	1,036	445
Others	651	655
Total	9,204	10,716
Ordinary income (loss)	(12,100)	(6,793)
Extraordinary profit:		
Gain on sale of fixed assets	3,944	5,446
Cancellation fee for chartered ships	62	1,514
Others	1,803	1,317
Total	5,810	8,277
Extraordinary loss:		
Loss on sale of fixed assets	569	2,739
Loss on retirement of fixed assets	1,017	535
Loss on valuation of investment securities	8,139	7,452
Others	1,567	857
Total	11,293	11,585
Income (loss) before income taxes and minority interests	(17,583)	(10,100)
Income taxes-current		
Income taxes-deferred		
Income taxes	(2,606)	977
Income (loss) before minority interests	(14,977)	(11,078)
Minority interests in earnings of consolidated subsidiaries	1,486	2,004
Net income (loss)	(16,463)	(13,082)

(3) Consolidated Statements of Comprehensive Income

(¥Million)

	Q2 / FY2011 (Apr.1 - Sep.30, 2011)	Q2 / FY2012 (Apr.1 - Sep.30, 2012)
Income (Loss) before minority interests	(14,977)	(11,078)
Other comprehensive income		
Unrealized holding gains (losses) on available-for-sale securities, net of tax	(6,884)	(7,227)
Unrealized gains (losses) on hedging derivatives, net of tax	(13,096)	(20,082)
Foreign currency translation adjustments	1,994	1,427
Share of other comprehensive income of associates accounted for using equity method	(1,471)	(3,000)
Total	(19,457)	(28,883)
Comprehensive income	(34,435)	(39,961)
(Breakdown)		
Comprehensive income attributable to owners of the parent	(35,323)	(41,389)
Comprehensive income attributable to minority interests	887	1,427

(4) Consolidated Statements of Cash Flows

(¥ Million)

	Q2 / FY2011 (Apr.1 - Sep.30, 2011)	Q2 / FY2012 (Apr.1 - Sep.30, 2012)
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	(17,583)	(10,100)
Depreciation and amortization	41,690	45,201
Equity in (earnings) losses of affiliates	(1,545)	2,243
Loss on valuation of investment securities	8,139	7,452
Various provisions (reversals)	(4,065)	(1,208)
Interest and dividend income	(2,504)	(2,438)
Interest expense	5,567	6,123
Loss (gain) on the sale of investment securities	(224)	160
Loss (gain) on sale and retirement of vessels, property, plant and equipme	(2,357)	(2,171)
Exchange (earning) loss,net	1,233	2,375
Changes in operating assets and liabilities		
— Trade receivables	394	(11,985)
— Inventories	(3,099)	1,820
— Trade payables	(7,458)	4,209
Other,net	(3,549)	(4,886)
Sub total	14,636	36,796
Cash received from interest and dividend	5,690	5,188
Cash paid for interest	(5,365)	(6,584)
Cash (paid) refund for corporate income tax, resident tax and enterprise ta	(29,118)	5,081
Net cash provided by (used in) operating activities	(14,156)	40,481
Cash flows from investing activities:		
Purchase of investment securities	(859)	(898)
Proceeds from sale and redemption of investment securities	604	292
Payments for purchases of vessels and other tangible / intangible fixed ass	(89,523)	(99,071)
Proceeds from sale of vessels and other tangible / intangible fixed assets	24,035	31,885
Net (increase) decrease in short-term loans receivable	326	470
Disbursements for loans receivable	(921)	(4,153)
Collections of loans receivable	7,004	734
Other, net	(1,236)	704
Net cash provided by (used in) investing activities	(60,570)	(70,035)
Cash flows from financing activities:		
Net increase (decrease) in short-term bonds	(87)	—
Net increase (decrease) in short-term bank loans	(5,011)	(8,708)
Net increase (decrease) in commercial paper	(16,000)	(1,500)
Proceeds from long-term bank loans	133,154	120,106
Repayments of long-term bank loans	(38,575)	(42,478)
Proceeds from issuance of bonds	30,000	45,000
Redemption of bonds	(5,057)	(4,313)
Purchase of treasury stock	(18)	(6)
Sale of treasury stock	18	15
Cash dividends paid by the company	(6,013)	(3,040)
Cash dividends paid to minority interests	(380)	(2,082)
Other, net	(402)	(722)
Net cash provided by (used in) financing activities	91,625	102,268
Effect of exchange rate changes on cash and cash equivalents	(501)	1
Net increase (decrease) in cash and cash equivalents	16,397	72,716
Cash and cash equivalents at beginning of the year	65,477	82,837
Cash and cash equivalents at end of Q2 of the year	81,874	155,553

(5) Segment Information

Business segment information:

(¥Million)

Q2 / FY2011 (Apr.1 - Sep.30, 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	353,411	281,853	25,123	52,881	713,269	4,076	717,345	-	717,345
2.Inter-segments revenues	505	936	108	8,796	10,347	3,965	14,313	(14,313)	-
Total Revenues	353,916	282,789	25,232	61,677	723,616	8,042	731,658	(14,313)	717,345
Segment income(loss)	(6,185)	(10,529)	(1,206)	4,715	(13,205)	1,040	(12,164)	64	(12,100)

(¥Million)

Q2 / FY2012 (Apr.1 - Sep.30, 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	369,286	302,915	27,363	53,919	753,484	3,483	756,968	-	756,968
2.Inter-segments revenues	606	871	107	8,920	10,505	4,049	14,554	(14,554)	-
Total Revenues	369,893	303,786	27,470	62,839	763,990	7,532	771,522	(14,554)	756,968
Segment income (loss)	(10,904)	(2,642)	732	5,743	(7,071)	950	(6,120)	(672)	(6,793)

* 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 (64 million yen) include the following element:-318 million yen of corporate profit which is unable to be distributed to each segment, 836 million yen of adjustment for management accounting, -454 million yen of intersegment transaction elimination.

* 3. The adjustment of segment loss (-672 million yen) include the following element:-3,056 million yen of corporate loss which is unable to be distributed to each segment, 2,337 million yen of adjustment for management accounting, 46 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 second quarter of FY2011 by the modified method, segment loss would be decreased by 1,153 million yen in "Bulk-ships", 348 million yen in "Container-ships", 38 million yen in "Ferry & Domestic Transport". And segment income would be increased by 43 million yen in "Associated Business" and decreased by 16 million yen in "Others", 1,567 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.

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Supplement

1. Review of Quarterly Results

FY2012

		1st Quarter Apr.～Jun.,2012	2nd Quarter Jul.～Sep.,2012	3rd Quarter Oct.～Dec.,2012	4th Quarter Jan.～Mar.,2013
Revenues	[¥ Million]	378,850	378,118		
Operating Income (loss)		(503)	(1,876)		
Ordinary income (loss)		(1,538)	(5,255)		
Income (loss) before income taxes		(5,811)	(4,289)		
Net income (loss)		(5,020)	(8,062)		
Net income (loss) per share	[¥]	(4.20)	(6.74)		
Total assets	[¥ Million]	1,988,564	2,039,542		
Total net assets		698,541	673,131		

FY2011

		1st Quarter Apr.～Jun.,2011	2nd Quarter Jul.～Sep.,2011	3rd Quarter Oct.～Dec.,2011	4th Quarter 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

(Million yen)

	Six months ended Sep. 30,2011	Six months ended Sep. 30,2012	Increase /Decrease	FY2011
Vessels	33,962	37,703	3,741	70,149
Others	7,728	7,497	(231)	15,475
Total	41,690	45,201	3,511	85,624

3. Interest-bearing Debt

(Million yen)

	As of Mar. 31,2012	As of Sep.30,2012	Increase /Decrease	As of Sep. 30, 2011
Bank loans	653,168	724,566	71,398	598,644
Bonds	191,221	232,063	40,842	195,322
Commercial paper	5,000	3,500	(1,500)	5,500
Others	20,229	20,430	201	20,648
Total	869,619	980,560	110,941	820,116

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	84	6,696	84	13,034	27	1,883	54	868	23	1,507
Chartered	330	29,040	112	5,217	-	-	77	1,219	93	4,850
Others	-	-	-	-	2	143	-	-	-	-
As of Sep.30,2012	414	35,736	196	18,251	29	2,026	131	2,087	116	6,357
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	289	24,077
Chartered	29	81	-	-	2	13	643	40,421
Others	2	1	-	-	-	-	4	145
As of Sep.30,2012	46	162	1	5	3	19	936	64,643
As of Mar.31,2012	45	158	1	5	3	19	910	63,242

*1:excluding tug boats

5. Exchange Rates

	Six months ended Sep. 30,2011	Six months ended Sep. 30,2012	Change			FY2011
Average rates	¥80.26	¥80.19	¥0.07	(0.1%)	\ appreciated	¥78.85
Term-end rates	¥76.65	¥77.60	¥0.95	(1.2%)	\ weaken	¥82.19

(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, 2011	TTM on Jun. 30, 2012	Change			TTM on Dec. 31, 2011
Term-end rates	¥80.73	¥79.31	¥1.42	(1.8%)	\ appreciated	¥77.74

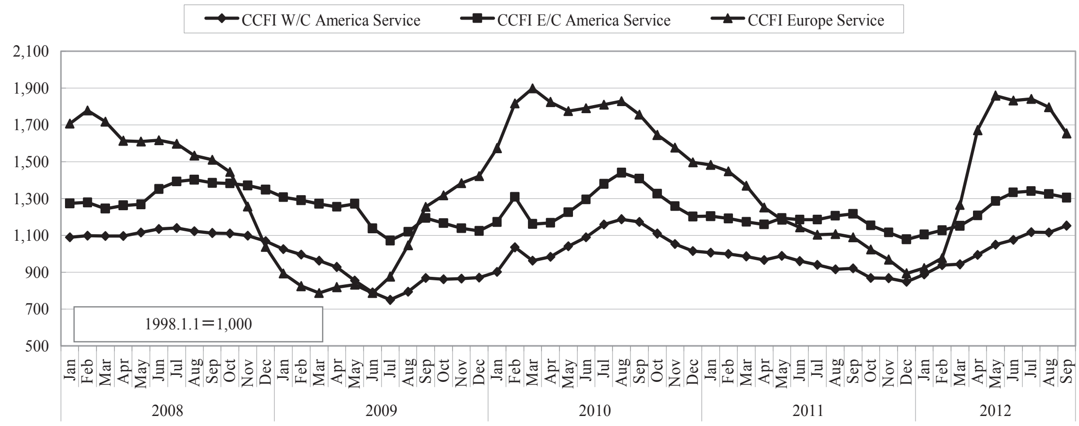
6. Bunker Prices

	Six months ended Sep. 30,2011	Six months ended Sep. 30,2012	Increase /Decrease
Consumption Prices	US$645/MT	US$681/MT	US$36/MT

7. Market Information

(1) Containership Market (China Containerized Freight Index)

Source : Shanghai Shipping Exchange

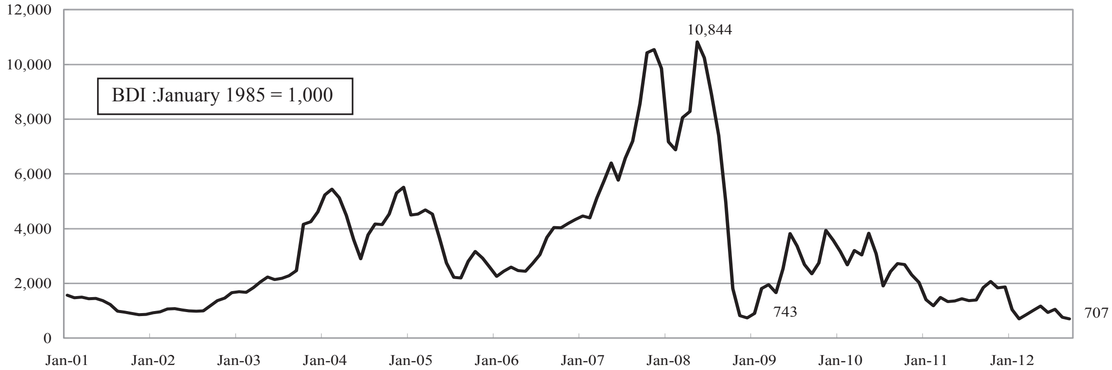


＊ CCFI reflects the freight rate trend for container exports from China only, which does not always match the overall trend for container exports from Asia. Therefore, this information is provided and updated only for reference purposes.

(2) Dry Bulk Market (Baltic Dry Index)

Source : Tramp Data Service

BDI (Baltic Dry Index)



(Calender Year)

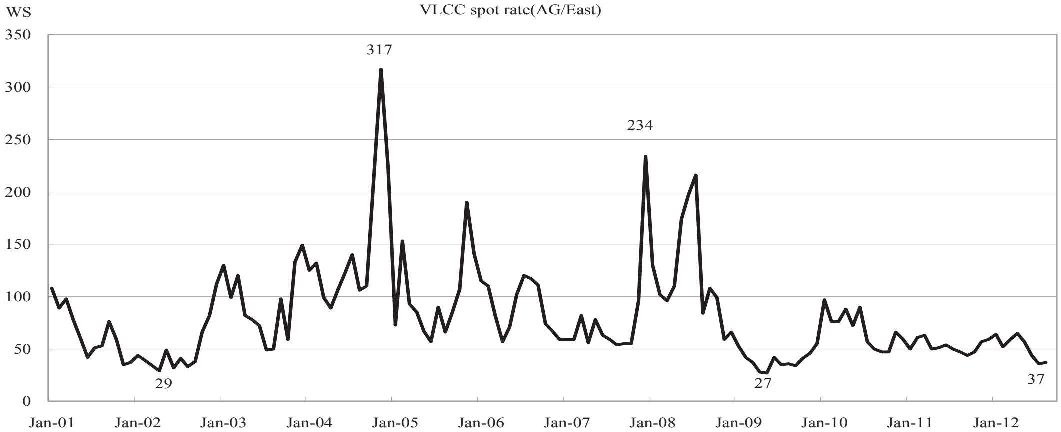
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Maximum	1,734	1,566	1,666	4,609	5,519	4,678	4,336	10,543	10,830	3,941	3,838	2,072	1,170
Minimum	1,371	855	931	1,674	2,902	2,207	2,262	4,398	743	905	1,910	1,181	703
Average	1,606	1,215	1,144	2,634	4,521	3,380	3,188	7,090	6,346	2,613	2,761	1,548	917

(Jan.～Sep.)

(3) VLCC Market

Source : Drewry, RIM etc.

VLCC spot rate(AG/East)



(Calender Year)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Maximum	168	108	112	149	317	190	120	234	216	54	97	63	65
Minimum	55	35	29	49	89	57	57	54	59	27	47	47	36
Average	110	66	50	93	149	101	90	79	120	40	69	52	52

(Jan.～Aug.)