

Mitsui O.S.K. Lines, Ltd.



Financial Highlights: The Second Quarter Ended September 30, 2024

1. Consolidated Financial Highlights (from April 1, 2024 to September 30, 2024)

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

(1) Operating Results

	(¥ Million)	
	Q2/FY2024	Q2/FY2023
Revenues	900,628	790,102
Operating profit	89,185	49,300
Ordinary profit	249,028	154,531
Profit attributable to owners of parent	246,697	150,792
	(¥)	
Net income per share	680.73	416.74
Diluted net income per share	679.36	415.66

(2) Financial Position

	(¥ Million)	
	Q2/FY2024	FY2023
Total assets	4,473,647	4,120,552
Total net assets	2,679,006	2,369,682
Shareholders' equity* / Total assets	59.5%	57.1%

* Shareholders' Equity is defined as follows.

Shareholders' Equity = Total Net Assets - (Share option + Non-controlling interests)

2. Dividends

	(¥)				
	Dividend per share				
	Q1	Q2	Q3	Year-end	Total
FY2023	—	110.00	—	110.00	220.00
FY2024	—	180.00			
FY2024 (Forecast)			—	120.00	300.00

3. Forecast for the Fiscal Year Ending March 31, 2025

	(¥ Million)
	FY2024
Revenues	1,790,000
Operating profit	153,000
Ordinary profit	365,000
Profit attributable to owners of parent	350,000
	(¥)
Net income per share	972.77

4. Business Performance

(1) Analysis of Operating Results

(¥ Billion)

	Six months		Year-on-year comparison / Variance
	From April 1, 2023 to September 30, 2023	From April 1, 2024 to September 30, 2024	
Revenue	790.1	900.6	110.5 / 14.0%
Operating profit	49.3	89.1	39.8 / 80.9%
Ordinary profit	154.5	249.0	94.4 / 61.2%
Profit attributable to owners of parent	150.7	246.6	95.9 / 63.6%
Exchange rate	¥138.71/US\$	¥153.71/US\$	¥15.00/US\$
Bunker price*	US\$610/MT	US\$625/MT	US\$15/MT

*Average price for all the major fuel grades

The average exchange rate against the dollar for the first half of the current fiscal year decreased by ¥15.00/US\$ to ¥153.71/US\$ from the same period of the previous fiscal year. The average bunker price for the first half of the current fiscal year increased by US\$15/MT to US\$625/MT from the same period of the previous fiscal year.

We recorded revenue of ¥900.6 billion, an operating profit of ¥89.1 billion, an ordinary profit of ¥249.0 billion and profit attributable to owners of parent of ¥246.6 billion.

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

Upper: Segment Revenue, Lower: Segment Ordinary Profit

	Six months		Year-on-year comparison / Variance
	From April 1, 2023 to September 30, 2023	From April 1, 2024 to September 30, 2024	
Dry Bulk Business	189.8	213.5	23.6 / 12.4%
	32.1	9.0	(23.1) / (71.9%)
Energy Business	214.9	277.4	62.5 / 29.1%
	37.6	62.7	25.0 / 66.5%
Product Transport Business	299.2	315.7	16.5 / 5.5%
	71.6	180.0	108.4 / 151.4%
Containerships	28.0	31.8	3.7 / 13.3%
	33.3	130.9	97.5 / 292.2%
Wellbeing & lifestyle Business	52.2	56.3	4.1 / 7.9%
	4.9	9.4	4.5 / 90.3%
Real property Business	19.9	21.6	1.6 / 8.3%
	4.5	8.3	3.7 / 82.6%
Associated Businesses	23.3	27.0	3.7 / 16.1%
	1.2	1.2	(0.0) / (0.2%)
Others	10.5	10.4	(0.0) / (0.6%)
	2.6	2.4	(0.2) / (7.9%)

(A) Dry Bulk Business

The Capesize bulker market rates fell temporarily in early August, reflecting shipment delays caused by the rainy season in West Africa, but otherwise remained firm due to steady iron ore shipments from Western Australia and Brazil as well as a rebound in bauxite shipments from West Africa from September. The limited supply of newly built vessels also bolstered market rates.

The Panamax bulker market rates fell for all routes after the peak period for shipments from South America finished in July and vessel supply and demand started to weaken; however, the market rates for Supramax bulker and smaller vessels remained firm due to steady shipments of steel products in addition to minor bulk cargoes such as mineral like salt and limestone and forest products.

Despite the firm market trend, the dry bulk business posted a year-on-year decrease in profit due to the special factor of not having profit from the reversal of an allowance for doubtful accounts recorded last year.

(B) Energy Business**<Tankers>**

The very large crude carrier (VLCC) market rates did not trend upward as much as expected partly due to the impact of weak imports dampened by China's faltering economic recovery; however, they were still higher than in the same period a year earlier, reflecting the impact of geopolitical risks such as tensions in the Red Sea amid an increase in ton-miles resulting from the avoidance of Russian crude oil and continued growth in crude oil supplies from non-OPEC Plus countries such as the U.S. and Brazil.

The product tanker market rates remained strong, reflecting high levels of shipments including increased exports of petroleum products from the U.S. and China as well as an increase in ton-miles due to the avoidance of Russian crude oil and tensions in the Red Sea on the demand side and limited new vessel deliveries on the supply side.

The LPG carrier market rates softened slightly, reflecting the easing of Panama Canal congestion from around August, even though LPG shipments from the U.S. remained firm as growing industrial demand for LPG in China and ongoing OPEC Plus oil output cuts caused the gap between U.S. LPG prices and Chinese LPG prices to widen.

The chemical tanker market rates remained favorable, reflecting an increase in ton-miles, as many shipping companies opted to reroute through the Cape of Good Hope in the face of tensions in the Red Sea. In addition, Fairfield Chemical Carriers Pte. Ltd. (Fairfield) also contributed to profit growth following the acquisition of all of the shares of Fairfield by MOL Chemical Tankers Pte. Ltd., a wholly-owned subsidiary of the Company.

In this business environment, by stably performing existing long-term contracts and by reducing costs, the tanker business as a whole posted a year-on-year increase in profits.

<Offshore>

The FPSO business reported a year-on-year increase in profit partly due to the reporting of equity in earnings of affiliates as a result of the revaluation of shares following the conversion of MODEC, Inc. into an equity-method affiliate.

<Liquefied Gas>

The LNG carrier business continued to generate stable profit as a result of existing long-term charter contracts and the delivery of new vessels but reported lower profit than a year earlier due to a temporary increase in expenditure for dry-docks. The LNG infrastructure business reported increased profit year-on-year as a result of the stable operation of existing projects.

(C) Product Transport Business**<Containerships>**

At OCEAN NETWORK EXPRESS PTE. LTD. (ONE), the Company's equity-method affiliate, the vessel supply and demand balance tightened, reflecting continued transit via the Cape of Good Hope on the one hand and an increase in shipping demand on routes from Asia to Europe and North America on the other. As a result, spot freight rates rose sharply, resulting in substantial year-on-year profit growth.

<Car Carriers>

The Car Carrier business saw a year-on-year decline in shipping volume due to constraints on the vessel

allocation associated with port congestion and the continued avoidance of certain routes in response to the Middle East conflict; however, profit increased year-on-year, due to favorable exchange rates and improved operation efficiency.

<Other Product Transport>

In the terminal business, handling volume in the domestic container terminal business remained steady. However, the logistics business reported lower profit due to dramatic changes in air and sea freight transportation demand and supply, resulting in a year-on-year decrease in profit despite higher sales.

(D) Wellbeing & Lifestyle Business

<Real Property Business>

The real property business achieved a year-on-year increase in profit due to a strong performance at DAIBIRU CORPORATION, the core company in the Group's real property business, and the posting of equity in earnings of affiliates associated with an increase in equity-method affiliates.

<Ferries and Coastal RoRo Ships>

MOL Sunflower Ltd. saw a significant year-on-year increase in liftings driven by modal shift in the cargo transportation business. The passenger transportation business also achieved higher profitability than in the same period a year earlier.

<Cruise Business>

The cruise business reported a year-on-year decrease in profit, reflecting upfront expenditures such as investment for the entry into service of MITSUI OCEAN FUJI, despite an increase in passengers driven by strong traveling demand.

(E) Associated Businesses

The associated business, including the tugboat business and the trading business, maintained around the same level of profit year-on-year.

(F) Others

Other businesses, which include ship operations, ship management, and financing, posted a decrease in profit compared to the same period a year earlier.

(2) Outlook for FY2024

(For consolidated full year 2024)

(¥ Billion)

	Previous outlook (As announced on July 31, 2024)	Current outlook (As of announcement of Q2 financial results)	Previous outlook Comparison / Variance
Revenue	1,815.0	1,790.0	(25.0) / (1.4%)
Operating profit	156.0	153.0	(3.0) / (1.9%)
Ordinary profit	350.0	365.0	15.0 / 4.3%
Profit attributable to owners of parent	335.0	350.0	15.0 / 4.5%

	(Assumptions for 2H FY2024)	(Assumptions for 2H FY2024)	
Exchange rate	¥150.00/US\$	¥148.68/US\$	¥(1.32)/US\$
Bunker price *1	US\$500/MT	US\$480/MT	US\$(20)/MT
Compliant fuel price *2	US\$620/MT	US\$600/MT	US\$(20)/MT

*1 HSFO (High Sulfur Fuel Oil) average price

*2 VLSFO (Very Low Sulfur Fuel Oil) average price

(A) Dry Bulk Business

The Capesize bulker market is expected to remain firm for the rest of 2024, underpinned by strong iron ore and bauxite shipments. However, from early in the new year, the rainy season in Brazil is likely to cause a temporary decline.

The market rates for Panamax and smaller vessels are expected to remain comparatively firm for the remainder of 2024, bolstered by grain shipments from North America as the fall harvest approaches in the northern hemisphere. However, market rates are likely to weaken once again from the beginning of 2025 when the buildup of coal inventories to meet demand for heating comes to an end.

The possibility of the easing of transit restrictions in the Panama Canal for vessels without transit slots and the impact this would have on vessel supply and demand will need to be carefully assessed.

In this business environment, profits of the dry bulk business as a whole are expected to decline compared to the previous forecast.

(B) Energy Business

The very large crude carrier (VLCC) market rate is expected to remain firm under the impact of an increase in ton-miles due to the avoidance of Russian crude oil, continued growth in alternative crude oil supplies, limited new vessel supply, and geopolitical risks including the Middle East conflict, despite various causes for concern such as the continued OPEC Plus oil output cuts until the end of 2025, China's economic slowdown, and a decrease in China's crude oil imports due to the drawdown of crude oil inventories.

The product tanker market rate is likely to weaken temporarily due to reduced production of petroleum products in face of faltering demand in China and less arbitrage trading due to falling product futures prices; however, we forecast a comparatively quick market recovery on expectations for increased shipments ahead of winter in the northern hemisphere and increased shipments due to the Chinese government's issuance of additional export quotas to state-owned oil companies.

The LPG carrier market rates are expected to remain steady with consumer demand and petrochemical demand in India and China, despite concerns over the negative impact of the easing of Panama Canal congestion on ton-

miles.

The chemical tanker business is likely to continue performing strongly due to favorable market rates and Fairfield's year-round contribution to improved business performance.

The offshore business is projected to continue generating stable profits due to existing long-term charter contracts.

In the liquefied gas business, the LNG carrier business will maintain stable profit as a result of the continuation of long-term charter contracts and the delivery of new vessels slated to enter service under new contracts. The LNG infrastructure business projects stable operation of new and existing projects.

In this business environment, profits of the energy business as a whole are expected to increase compared to the previous forecast.

(C) Product Transport Business

In the containerships business, we expect higher profit, partly due to tighter vessel supply and demand situation as a result of continued transit via the Cape of Good Hope. However, spot freight rates have peaked due to a large supply of new vessels and are likely to gradually cool down as seasonal factors also come into play.

In the car carrier business, shipping demand is expected to remain firm; however, we will monitor auto sales in major economies as well as geopolitical risks and allocate vessels efficiently according to changes in the shipping of completed cars.

In the terminal business, we anticipate steady handling volumes in the domestic container terminal business and plan to transfer our remaining stake in terminal companies in the overseas container terminal business.

In the logistics business, we will seek to expand handling volumes mainly by strengthening our marketing strategies and overseas networks based on an assessment of the business environment.

In this business environment, the product transportation business as a whole is expected to post an increase in profit compared to the previous forecast.

(D) Wellbeing & Lifestyle Business

In the real property business, despite a profit impact from the reconstruction of some properties owned by DAIBIRU CORPORATION, the business is expected to continue generating solid profit due to the high occupancy rates of other properties.

In the business of ferries and coastal RoRo ships, the cargo transportation business and the passenger transportation business are both expected to continue performing strongly.

The cruise business is likely to be less profitable on expectations for initial investment in preparation for the entry into service of MITSUI OCEAN FUJI in December 2024.

In this business environment, the wellbeing & lifestyle business as a whole is expected to post a decrease in profit compared to the previous forecast.

(E) Associated Businesses

In the tugboat business, we anticipate a decrease in service frequency. However, the trading business is projected to perform strongly. The associated business as a whole is expected to post an increase in profit compared to the previous forecast.

5. Financial Position

Total assets as of September 30, 2024 increased by ¥ 353.0 billion compared to the balance as of the end of the previous fiscal year, to ¥ 4,473.6 billion. This was primarily due to the increase in Construction in progress.

Total liabilities as of September 30, 2024 increased by ¥ 43.7 billion compared to the balance as of the end of the previous fiscal year, to ¥ 1,794.6 billion. This was primarily due to the increase in Long-term bank loans.

Total net assets as of September 30, 2024 increased by ¥ 309.3 billion compared to the balance as of the end of the previous fiscal year, to ¥ 2,679.0 billion. This was primarily due to the increase in Retained earnings.

As a result, shareholders' equity ratio increased by 2.4 percentage points compared to the ratio as of the end of the previous fiscal year, to 59.5%.

6. 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, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	117,919	147,876
Trade receivables	137,790	140,209
Contract assets	10,827	9,736
Inventories	56,117	57,957
Deferred and prepaid expenses	27,082	33,846
Other current assets	117,543	131,826
Allowance for doubtful accounts	(1,484)	(1,448)
Total current assets	465,796	520,004
Fixed assets		
Tangible fixed assets		
Vessels	831,120	887,637
Buildings and structures	146,595	147,836
Machinery, equipment and vehicles	13,432	15,218
Furniture and fixtures	7,031	7,340
Land	354,904	360,271
Construction in progress	292,660	412,740
Other tangible fixed assets	8,776	12,316
Total tangible fixed assets	1,654,521	1,843,359
Intangible assets	69,200	75,220
Investments and other assets		
Investment securities	1,669,605	1,751,386
Long-term loans receivable	101,274	105,278
Long-term prepaid expenses	7,642	7,864
Retirement benefit assets	37,268	37,436
Deferred tax assets	2,435	4,247
Other non-current assets	118,159	135,060
Allowance for doubtful accounts	(5,353)	(6,210)
Total investments and other assets	1,931,034	2,035,062
Total fixed assets	3,654,756	3,953,643
Total assets	4,120,552	4,473,647

(¥ Million)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Trade payables	112,497	112,057
Bonds due within one year	44,600	30,100
Short-term bank loans	249,519	148,968
Commercial paper	80,000	40,000
Accrued income taxes	33,627	18,879
Advances received	3,000	4,229
Contract liabilities	35,639	36,536
Provision for bonuses	9,466	7,788
Provision for directors' bonuses	264	117
Provision for share-based payments	324	106
Provision for contract loss	761	571
Other current liabilities	77,639	73,486
Total current liabilities	647,342	472,840
Fixed liabilities		
Bonds due after one year	156,600	168,200
Long-term bank loans	706,077	922,898
Lease liabilities	53,961	59,402
Deferred tax liabilities	95,662	81,096
Retirement benefit liabilities	10,060	10,410
Provision for share-based payments	848	985
Provision for periodic drydocking	22,411	25,094
Provision for loss on guarantees	1,741	1,641
Provision for contract loss	6,694	6,006
Other fixed liabilities	49,470	46,064
Total fixed liabilities	1,103,527	1,321,800
Total liabilities	1,750,869	1,794,641
Net assets		
Owners' equity		
Common stock	66,001	66,335
Capital surplus	117,132	117,256
Retained earnings	1,685,143	1,891,800
Treasury stock, at cost	(88)	(119)
Total owners' equity	1,868,189	2,075,271
Accumulated other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	76,888	54,991
Unrealized gains on hedging derivatives, net of tax	84,890	117,721
Foreign currency translation adjustments	306,990	398,351
Remeasurements of defined benefit plans, net of tax	16,902	15,873
Total accumulated other comprehensive income	485,670	586,937
Share option	315	295
Non-controlling interests	15,506	16,500
Total net assets	2,369,682	2,679,006
Total liabilities and net assets	4,120,552	4,473,647

(2) Consolidated Statements of Income

(¥ Million)

	FY2023 (Apr. 1, 2023 - Sep. 30, 2023)	FY2024 (Apr. 1, 2024 - Sep. 30, 2024)
Shipping and other revenues	790,102	900,628
Shipping and other expenses	668,104	732,740
Gross operating income	121,997	167,888
Selling, general and administrative expenses	72,696	78,702
Operating profit	49,300	89,185
Non-operating income		
Interest income	10,960	8,388
Dividend income	9,729	3,164
Equity in earnings of affiliated companies, net	56,091	164,964
Foreign exchange gain, net	20,949	—
Others	20,677	3,709
Total non-operating income	118,408	180,226
Non-operating expenses		
Interest expenses	11,733	8,504
Foreign exchange loss, net	—	9,669
Others	1,443	2,210
Total non-operating expenses	13,177	20,384
Ordinary profit	154,531	249,028
Extraordinary income		
Gain on sale of fixed assets	9,609	3,784
Gain on sale of investment securities	1,188	4,354
Others	13,788	3,857
Total extraordinary income	24,586	11,995
Extraordinary losses		
Loss on sale of fixed assets	80	17
Loss on building reconstruction	326	711
Others	757	368
Total extraordinary losses	1,164	1,097
Profit before income taxes	177,953	259,926
Income taxes	26,466	13,292
Net income	151,486	246,633
Profit (loss) attributable to non-controlling interests	694	(63)
Profit attributable to owners of parent	150,792	246,697

(3) Consolidated Statements of Comprehensive Income

(¥ Million)

	FY2023 (Apr. 1, 2023 - Sep. 30, 2023)	FY2024 (Apr. 1, 2024 - Sep. 30, 2024)
Net income	151,486	246,633
Other comprehensive income		
Unrealized holding gains (losses) on available-for-sale securities, net of tax	17,800	(21,861)
Unrealized gains on hedging derivatives, net of tax	11,527	19,992
Foreign currency translation adjustments	11,746	98,689
Remeasurements of defined benefit plans, net of tax	(679)	(1,028)
Share of other comprehensive income of affiliated companies accounted for using equity method	138,333	(3,919)
Total other comprehensive income	178,728	91,873
Comprehensive income	330,215	338,507
(Breakdown)		
Comprehensive income attributable to owners of parent	328,346	338,689
Comprehensive income attributable to non-controlling interests	1,868	(181)

(4) Consolidated Statements of Cash flows

(¥ Million)

	FY2023 (Apr. 1, 2023 - Sep. 30, 2023)	FY2024 (Apr. 1, 2024 - Sep. 30, 2024)
Cash flows from operating activities		
Profit before income taxes	177,953	259,926
Depreciation and amortization	49,866	60,203
Loss on building reconstruction	326	711
Equity in losses (earnings) of affiliated companies, net	(56,091)	(164,964)
Increase (decrease) in provisions	(20,666)	(171)
Interest and dividend income	(20,689)	(11,553)
Interest expense	11,733	8,504
Loss (gain) on sale of investment securities	(1,188)	(4,354)
Loss (gain) on sale of fixed assets	(9,373)	(3,603)
Foreign exchange loss (gain), net	(9,965)	4,158
Decrease (Increase) in trade receivables	8,623	2,991
Decrease (Increase) in contract assets	(2,703)	1,418
Decrease (Increase) in inventories	(9,416)	(742)
Increase (Decrease) in trade payables	16,631	(4,393)
Others, net	(25,418)	(4,913)
Sub total	109,620	143,219
Interest and dividend income received	122,487	72,943
Interest expenses paid	(12,478)	(10,593)
Income taxes paid	(15,695)	(32,319)
Net cash provided by (used in) operating activities	203,934	173,249
Cash flows from investing activities		
Purchase of investment securities	(42,340)	(37,919)
Proceeds from sale and redemption of investment securities	17,642	14,349
Purchase of fixed assets	(181,301)	(136,543)
Proceeds from fixed assets	20,624	32,578
Disbursements for long-term loans receivables	(2,669)	(13,112)
Collection of long-term loans receivables	20,789	4,260
Others, net	(10,321)	(6,530)
Net cash provided by (used in) investing activities	(177,575)	(142,917)

(¥ Million)

	FY2023 (Apr. 1, 2023 - Sep. 30, 2023)	FY2024 (Apr. 1, 2024 - Sep. 30, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term bank loans	29,569	(84,668)
Net increase (decrease) in commercial paper	5,000	(40,000)
Proceeds from long-term bank loans	100,705	223,834
Repayments of long-term bank loans	(46,824)	(61,409)
Proceeds from issuance of bonds	9,000	26,600
Redemption of bonds	(15,000)	(29,500)
Cash dividends paid by the company	(93,839)	(39,824)
Cash dividends paid to non-controlling interests	(51)	(231)
Others, net	(508)	(4,124)
Net cash provided by (used in) financing activities	(11,948)	(9,323)
Effect of foreign exchange rate changes on cash and cash equivalents	7,675	4,389
Net increase (decrease) in cash and cash equivalents	22,084	25,397
Cash and cash equivalents at the beginning of the year	91,047	113,148
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	2,325
Increase (decrease) in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	102
Cash and cash equivalents at the end of the period	113,132	140,974

[NOTE]**(Changes in Accounting Standards)**

(Application of the Accounting Standard for Current Income Taxes)

Accounting Standard for Current Income Taxes (ASBJ Statement No.27, October 28, 2022) (hereinafter referred to as "Revised Accounting Standard 2022"), etc. have been adopted from the beginning of the current consolidated fiscal year. The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No.28, October 28, 2022) (hereinafter referred to as "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the semi-annual consolidated financial statements.

For the amendment to the change in accounting treatment of the consolidated financial statements, when gains or losses on sale of shares in subsidiaries resulting from transactions between the consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the current consolidated fiscal year. This change in accounting policies was applied retrospectively. Hence, the semi-annual consolidated financial statements and the consolidated financial statements for the previous consolidated fiscal year were modified retrospectively. This change in accounting policies has no impact on the semi-annual consolidated financial statements and the consolidated financial statements for the previous consolidated fiscal year.

(5) Segment Information

Business segment information:

(¥ Million)

Q2 / FY2023 (Apr. 1 - Sep. 30, 2023)	Reportable Segment							Associated Businesses	Sub Total
	Dry Bulk Business	Energy Business	Product Transport Business		Wellbeing & Lifestyle Business				
			Container ships	Car Carriers, Terminal and Logistics	Real Property	Ferries & Coastal RoRo Ships, Cruise			
Revenues									
1.Revenues from external customers	189,894	214,940	28,082	271,143	19,946	32,272	23,311	779,592	
2.Inter-segment revenues	234	5,908	155	2,207	1,726	154	16,328	26,717	
Total Revenues	190,129	220,849	28,237	273,351	21,673	32,427	39,640	806,309	
Segment profit (loss)	32,155	37,669	33,397	38,213	4,574	410	1,202	147,623	

Q2 / FY2023 (Apr. 1 - Sep. 30, 2023)	Others *1	Total	Adjust- ment *2	Consoli- dated *3
Revenues				
1.Revenues from external customers	10,509	790,102	—	790,102
2.Inter-segment revenues	7,278	33,995	(33,995)	—
Total Revenues	17,788	824,097	(33,995)	790,102
Segment profit (loss)	2,673	150,296	4,235	154,531

* 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 and the financing business.

* 2. Adjustment in Segment profit (loss) of ¥ 4,235 million include the following:
¥ -2,014 million of corporate profit which is not allocated to segments, ¥ 5,688 million of adjustment for management accounting and ¥ 561 million of inter-segment transaction elimination.

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

(¥ Million)

Q2 / FY2024 (Apr. 1 - Sep. 30, 2024)	Reportable Segment							Sub Total
	Dry Bulk Business	Energy Business	Product Transport Business		Wellbeing & Lifestyle Business		Associated Businesses	
			Container ships	Car Carriers, Terminal and Logistics	Real Property	Ferries & Coastal RoRo Ships, Cruise		
Revenues								
1.Revenues from external customers	213,526	277,479	31,804	283,983	21,606	34,720	27,062	890,181
2.Inter-segment revenues	158	7,180	164	2,371	1,622	183	16,135	27,817
Total Revenues	213,684	284,660	31,969	286,354	23,228	34,903	43,197	917,999
Segment profit (loss)	9,022	62,730	130,971	49,078	8,354	1,131	1,200	262,488

Q2 / FY2024 (Apr. 1 - Sep. 30, 2024)	Others *1	Total	Adjust- ment *2	Consoli- dated *3
Revenues				
1.Revenues from external customers	10,446	900,628	—	900,628
2.Inter-segment revenues	7,327	35,144	(35,144)	—
Total Revenues	17,773	935,773	(35,144)	900,628
Segment profit (loss)	2,462	264,951	(15,923)	249,028

* 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 and the financing business.

* 2. Adjustment in Segment profit (loss) of ¥ -15,923 million include the following:
¥ -21,801 million of corporate profit which is not allocated to segments, ¥ 5,203 million of adjustment for management accounting and ¥ 674 million of inter-segment transaction elimination.

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

(Material Subsequent Events)**(Share Repurchase)**

The Company has resolved, at a meeting of the Board of Directors held on October 31, 2024, to repurchase its own shares in accordance with Article 156 of the Companies Act of Japan, as applied by replacing the relevant terms pursuant to paragraph 3 of Article 165 of the same Act.

1. Reason for share repurchase

In March 2023, we formulated MOL group management plan, "BLUE ACTION 2035", in which we set forth our basic policy that emphasizes enhancing corporate value through strategic business investments and promoting shareholder returns through dividends. Furthermore, if profits exceed expectations significantly, we aim to return surplus funds and continue to enhance capital efficiency with ROE of 9 -10%.

Based on this policy, we have resolved to implement a share repurchase, taking into account our investment capacity, current stock price level, market conditions, and financial position.

The acquired shares may potentially be used for growth investments such as strategic M&As with our common stock as consideration, stock delivery at the time of exercising stock acquisition rights, stock compensation using our common stock for officers and employees of our group (the Company and its subsidiaries), or may be cancelled.

2. Details of share repurchase

(1) Class of share	Common shares
(2) Total number of shares to be repurchased	Up to 30,000,000 shares (8.28% of total number of issued shares (excluding treasury stock))
(3) Total amount	Up to ¥100,000,000,000
(4) Repurchase period	From November 1, 2024 to October 31, 2025
(5) Repurchase method	Open market purchase through the Tokyo Stock Exchange based on a discretionary trading contract

*Note: All or part of the share repurchase may not be executed depending on market trends and other factors.

[REFERENCE PURPOSE ONLY]

Please note that this document has been translated from the Japanese original for reference purposes only and the financial statements contained is unaudited.

In case of any discrepancy or inconsistency between this document and the Japanese original, the latter shall prevail.

[Supplement]

1. Review of Quarterly Results**<FY2024>**

	Q1	Q2	Q3	Q4
	Apr-Jun, 2024	Jul-Sep, 2024	Oct-Dec, 2024	Jan-Mar, 2025
Revenues [¥ Millions]	435,949	464,679		
Operating profit (loss)	40,666	48,519		
Ordinary profit (loss)	108,651	140,377		
Income (Loss) before income taxes	114,870	145,056		
Profit (Loss) attributable to owners of parent	107,103	139,594		
Net income (loss)* per share [¥]	295.58	385.15		
Net income (loss)* per share (Diluted basis) [¥]	294.95	384.39		
Total Assets [¥ Millions]	4,401,021	4,473,647		
Total Net Assets	2,567,053	2,679,006		

*Profit (Loss) attributable to owners of parent

<FY2023>

	Q1	Q2	Q3	Q4
	Apr-Jun, 2023	Jul-Sep, 2023	Oct-Dec, 2023	Jan-Mar, 2024
Revenues [¥ Millions]	385,183	404,919	428,562	409,248
Operating profit (loss)	24,472	24,828	30,826	23,006
Ordinary profit (loss)	90,369	64,162	42,732	61,723
Income (Loss) before income taxes	109,629	68,324	60,259	57,205
Profit (Loss) attributable to owners of parent	91,155	59,637	52,812	58,047
Net income (loss)* per share [¥]	251.98	164.79	145.88	160.27
Net income (loss)* per share (Diluted basis) [¥]	251.34	164.35	145.49	159.85
Total Assets [¥ Millions]	3,737,672	3,954,754	3,924,154	4,120,552
Total Net Assets	2,015,352	2,174,320	2,292,074	2,369,682

*Profit (Loss) attributable to owners of parent

2. Depreciation and Amortization

	Six months ended Sep.30, 2023	Six months ended Sep.30, 2024	Increase / (Decrease)	(¥ Millions) FY2023
Vessels	37,271	48,268	10,997	77,431
Others	12,594	11,935	(659)	25,042
Total	49,866	60,203	10,337	102,473

3. Interest-bearing Debt

	As of Mar.31, 2024	As of Sep.30, 2024	Increase / (Decrease)	(¥ Millions) As of Sep.30, 2023
Bank loans	955,596	1,071,866	116,270	974,611
Bonds	201,200	198,300	(2,900)	183,500
Commercial papers	80,000	40,000	(40,000)	85,000
Others	67,903	76,237	8,334	20,470
Total	1,304,700	1,386,404	81,704	1,263,582

4. Fleet Capacity

	Dry Bulk Business	Energy Business	Product Transport Business		
	Dry Bulk Carriers (excluding Thermal Power Fuel Carriers)	Thermal Power Fuel Carriers, Tankers, Wind Power, Offshore, Liquefied Gas(LNG Carriers, etc.)	Subtotal	Car carriers	Containerships
	No.of ships	No.of ships	No.of ships	No.of ships	No.of ships
Owned	49	204	70	50	20
Chartered	224	196	59	48	11
Others	-	10	-	-	-
As of Sep.30, 2024	273	410	129	98	31
As of Mar.31, 2024	274	401	129	95	34

	Wellbeing & Lifestyle Business	Associated Businesses and Others	Total
	Ferry & Coastal RoRo Ships, Cruise	Others	
	No.of ships	No.of ships	
Owned	13	54	390
Chartered	3	6	488
Others	-	-	10
As of Sep.30, 2024	16	60	888
As of Mar.31, 2024	16	62	882

Note 1: Prior to the FY2023 Q2 Financial Highlights, we had been reporting the number of ships including our consolidated subsidiaries.

However, to more accurately represent the size of our company's business, the energy segment primarily includes equity-method affiliated companies' fleets based on the ship types and the extent of our involvement in procurement, construction, and financing from the FY2023 Q3 Financial Highlights.

Note 2: Partial ownership of a ship is counted as one ship.

5. Exchange Rates (Against the US dollar)

	Six months ended Sep.30, 2023	Six months ended Sep.30, 2024	Change	FY2023
Average rates	¥138.71	¥153.71	¥15.00 [10.8%] JPY Depreciated	¥143.43
Term-end rates	¥149.58	¥142.73	¥6.85 [4.6%] JPY Appreciated	¥151.41

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>

	As of Jun.30, 2023	As of Jun.30, 2024	Change	As of Dec.31, 2023
Term-end rates	¥144.99	¥161.07	¥16.08 [11.1%] JPY Depreciated	¥141.83

6. Average Bunker Prices

	Six months ended Sep.30, 2023	Six months ended Sep.30, 2024	Increase / (Decrease)
Purchase Prices	US\$610/MT	US\$625/MT	US\$15/MT

7. Market Information

(1) Dry Bulker Market (Baltic Dry Index) (Index: January 1985 = 1,000)

Source : Clarksons Research

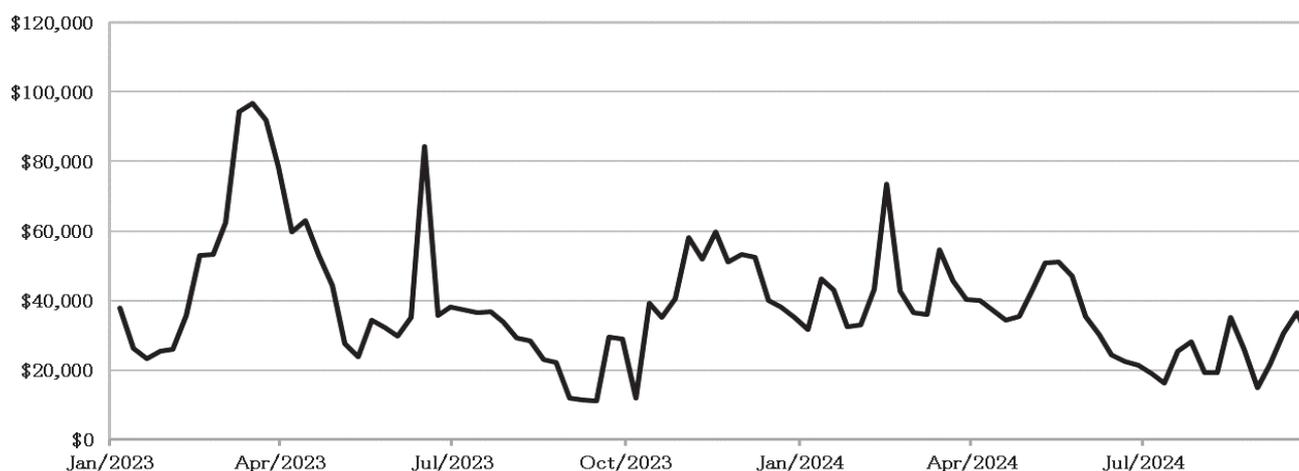


Monthly Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2023	909	658	1,410	1,480	1,416	1,082	1,040	1,150	1,393	1,868	1,831	2,538	1,398
2024	1,617	1,650	2,233	1,731	1,895	1,922	1,925	1,716	1,965				1,851

Remark) The Graph and the table have different fluctuation ranges as the graph reflects daily figures while the table shows monthly averages.

(2) Tanker Market (Daily Earnings) : VLCC AG/Japan trade (US\$Charter Rate/day)

Source : Clarksons Research

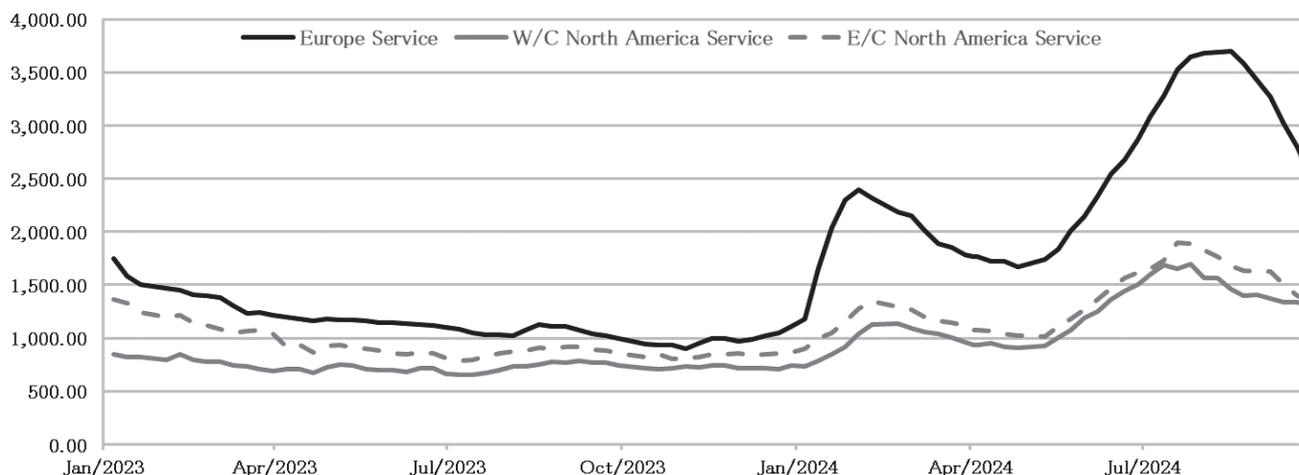


Monthly Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2023	28,223	41,999	84,755	55,019	29,519	44,695	36,136	25,784	18,611	31,711	55,249	43,862	41,297
2024	38,401	48,169	42,650	36,822	45,605	24,707	22,261	22,896	29,275				34,532

Remark) The Graph and the table have different fluctuation ranges as the graph reflects weekly figures while the table shows monthly averages.

(3) Containership Market (China Containerized Freight Index) (Index: January 1st 1998 = 1,000)

Source : Clarksons Research



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.