

April 30, 2026

Mitsui O.S.K. Lines, Ltd.

Major Questions and Answers
at the FY 2025 Financial Results Briefing (Online)

Respondents: CEO Jotaro Tamura, CFO Kazuya Hamazaki

Q1)

In comparison with Phase 2 of “BLUE ACTION 2035,” the MOL Group Corporate Management Plan announced at the end of March, the assumed timing for normalization of the situation in the Middle East has been revised from April to July. Please explain the impact on the earnings forecast, including both positive and negative factors.

A1) (Tamura)

The earnings forecast for this fiscal year is based on the assumption that the situation in Iran will generally normalize by July 2026, with an estimated company-wide negative impact of approximately ¥24.0 billion. While certain businesses, such as crude oil tankers, are expected to benefit from stronger market conditions, other businesses that mainly operate under freight contracts, including containerships, car carriers, and chemical tankers—are expected to be negatively impacted by rising fuel costs and restrictions on Middle East trade.

Regarding fuel costs, although partial cost recovery is expected through contractual arrangements with customers, the recent rapid increase in fuel prices has resulted in a lag in passing through fuel surcharges in some cases.

Q2)

Please explain the impact of a prolonged situation in the Middle East on MOL’s business, and how MOL anticipates the market structure will change after normalization.

A2) (Tamura)

If the situation in the Middle East becomes prolonged, we recognize that downward pressure on the global economy may intensify, increasing the risk of reduced cargo volumes and slower economic growth. On the other hand, prolonged disruption is likely to lead to inventory drawdowns and supply shortages, which could result in a rebound in demand driven by inventory replenishment once the situation normalizes.

In addition, regardless of the timing of normalization, we expect a continued and irreversible realignment of global supply chains, with companies prioritizing more stability in their sourcing strategies. We view these developments as potential business opportunities and will continue to monitor the situation closely.

Q3)

Please explain the breakdown of extraordinary income for the current fiscal year.

A3) (Hamazaki)

Sales of crude oil tankers and other ships account for the majority of the extraordinary income, and sales of containership business-related assets, real estate, and cross-shareholdings are included.

Q4)

Please explain the approximate total amount of asset sales expected this fiscal year.

A4) (Hamazaki)

While we don't disclose the total amount of asset sales, the forecast includes only transactions that are either already confirmed or considered highly probable at this stage.

Q5)

Please explain the background of the decision to raise ONE's dividend payout ratio to 40%.

A5) (Tamura)

This revision reflects our assessment that an increase in shareholder returns is appropriate, given the steady progress in growth investments, including, new vessel orders, over the two years since ONE formulated its medium-term management plan, "ONE 2030". In addition, we recognize that the risk of severe earnings deterioration has declined compared to the past.

The dividend payout ratio will, in principle, be set at 40%, with additional returns to be considered as appropriate. We will regularly discuss and review its optimal capital policy based on business conditions and investments progress.

Q6)

Regarding ONE's projected profit after tax, please explain the reasons behind the loss in the first half and the profit in the second half of FY2026.

A6) (Tamura)

In the first half, profitability is expected to be temporarily impacted due to a time lag in recovering fuel surcharges following a sharp increase in fuel prices. This effect is particularly pronounced when prices rise significantly over a short period. In the second half, earnings are expected to improve as the recovery of increased fuel costs progresses through adjustments to fuel surcharges. In addition, we expect peak season surcharge will be appropriately implemented this fiscal year, with increased cargo demand during the summer period and pre-Lunar New Year contributing to higher freight rates, which are reflected in the earnings outlook from the second quarter.

Q7)

Please explain ONE's assumptions for cargo volume, supply-demand balance, and freight rates for this fiscal year.

A7) (Tamura)

Cargo volume is expected to decline in the first quarter due to reduced services reflecting higher fuel and other operating costs. However, from the second quarter, cargo volumes are projected to recover following the normalization of the situation in Iran, with full-year cargo volume expected to exceed the previous fiscal year. In terms of supply-demand balance, while vessel capacity growth is expected to be more moderate than in the previous year, a certain level of newbuilding deliveries is anticipated to continue, which may influence overall supply conditions. Regarding freight rates, we expect peak season surcharge will be appropriately implemented this fiscal year, with increased cargo demand during the summer period and pre-Lunar New Year contributing to upward pressure on rates

Q8)

Please explain to what extent cost increases in feeder services and inland transportation have been passed on in the containership business.

A8) (Tamura)

Cost increases in feeder services and inland transportation are being passed on to freight rates. However, due to contractual arrangements, there is a certain time lag before full cost recovery is achieved. In particular, during periods of rapid cost escalation we are seeing this time, it takes time for these increases to be fully reflected in pricing, resulting in a temporary negative impact on earnings.

These impacts have been incorporated into the current earnings forecast.

Q9)

Please explain the reasons for the year-on-year decline in profit projected for the Chemical Logistics Business in this fiscal year.

A9) (Tamura, Hamazaki)

The decrease in profit in the Chemical Logistics Business is mainly due to two factors.

First, the business environment of the chemical tanker has deteriorated.

This business consists of approximately an equal mix of term contracts (around one year in duration) and spot contracts, with the spot contracts portion being more susceptible to fluctuations in market conditions and costs. Earnings of spot contracts are particularly impacted due to supply chain disruptions and higher fuel costs stemming from the situation in the Middle East. In addition, during periods of sharp fuel price increases, a time lag in recovering fuel surcharges temporarily put pressure on profits.

Second, profit has been impacted by higher goodwill amortization in the tank terminal business. While the terminal business itself benefits from a stable revenue base supported by long-term contracts, amortization expenses related to the acquisition of LBC Tank Terminals Group Holding Netherlands Coöperatief U.A. have weighed on earnings. This impact is particularly pronounced in this fiscal year due to the recognition of amortization over a 15-month period arising from the alignment of reporting periods.