

August 1, 2025
Mitsui O.S.K. Lines, Ltd.

**Major Questions and Answers
at the Q1 FY 2025 Financial Results Briefing(Online)**

Respondents: CFO Kazuya Hamazaki, CCO Sanae Sonoda

Q1)

Regarding shareholder returns, is there any change in the plan to strengthen returns during the fiscal year after assessing the impact of the Trump tariff policy for about two quarters? Also, please tell us about the status of discussions on shareholder returns in Phase 2.

A1)(Hamazaki)

We are closely monitoring the impact of tariffs on our business performance and plan to announce our shareholder return policy for fiscal 2025 at the interim results. Regarding the shareholder return policy for Phase 2 (fiscal 2026~fiscal 2030) of the MOL Group Corporate Management Plan "BLUE ACTION 2035," we are continuing internal discussions, including the possibility of bringing forward implementation of the policy during fiscal 2025.

Q2)

Regarding the allocation of additional cash flow generated by the increased net profit for the current period, is it planned to be announced at the end of the interim results? Will you present an overall picture including shareholder returns and investments?

A2)(Hamazaki)

Based on the business outlook at the time of the interim results, we plan to update our cash allocation, including shareholder returns and investment.

Q3)

Please explain the factors behind the revision of the tariff's impact on the profit forecast from ▲ ¥ 40.0 billion to ▲ ¥ 20.0 billion, as well as the details of ▲ ¥ 20.0 billion currently incorporated. Based on the current situation, are there any potential upsides or downsides that may change the degree of tariff impact?

A3)(Hamazaki)

At the previous results announcement, the breakdown of approximately ¥ 40.0 billion impact from tariffs was just over ¥ 20.0 billion for the containership business, just over ¥ 10.0 billion for the car carrier business, and the remainder for the tanker and dry bulk businesses. In the current earnings outlook, we have not incorporated tariff impacts for the car carrier business, and expect just under ¥ 20.0 billion for the containership business, with the remainder for the tanker business, including chemical tanker, and dry bulk businesses, totaling around ¥ 20.0 billion in tariff impact. If consumer demand declines due to tariff effects or additional tariffs, there is potential downside risk.

Q4)

Please explain the background and freight rate assumptions behind the revision of ONE's fiscal 2025 profit forecast from USD 600 million at the previous forecast to USD 700 million (net profit) this time.

A4)(Hamazaki)

At the previous results, we assumed that freight rates would remain flat at the April level and that there would be no typical seasonal peak, and thus forecasted ONE's profit at USD 600 million. However, in Q1, there was a surge in cargo demand from China due to the provisional US-China tariff agreement in May, which led to a spike in freight rates. Additionally, the shift of vessel supply to North America caused freight rates to rise on other routes, and cargo demand in Europe remained firm. As a result, we revised our outlook to USD 700 million. Our assumptions for future freight rates remain largely unchanged from the previous results, but we expect rates to soften after the Lunar New Year.

Q5)

Please explain why ONE's Q2 forecast is expected to exceed the Q1 results. Also, do you expect cargo movement in Q2 to remain firm?

A5)(Hamazaki)

The profit from the surge in freight rates due to the provisional US-China tariff agreement in May will mainly be recorded in Q2. We expect cargo movement in Q2 to remain firm.

Q6)

Please explain the factors behind the increase in ONE's operating costs compared to the same period last year. Do you expect costs to continue rising from Q2 onward?

A6)(Sonoda)

The main factors are the increase in owned space due to the delivery of new vessels, higher charter rates, and rising port charges due to inflation. The impact of charter rates and port charges may continue going forward.

Q7)

Please tell us about the profit outlook for the dry bulk, energy, and vehicle transport businesses for the next fiscal year.

A7)(Hamazaki)

Since the dry bulk and vehicle transport businesses are highly linked to market conditions, it is difficult to forecast the next fiscal year's performance at this time. For the dry bulk business, we expect a decrease in profit this fiscal year, mainly due to front-loaded depreciation costs associated with the consolidation of Gearbulk Holding AG as a subsidiary. However, since the total amount of depreciation has not changed, the depreciation burden is expected to ease from fiscal 2026 onward. For the energy business, we expect stable earnings contributions from the delivery of new LNG carriers.

Q8)

Regarding the dry bulk business, the Baltic Dry Index has recently risen, but please explain why you have assumed market conditions will soften in your outlook.

A8)(Hamazaki)

Due to the slowdown in the Chinese economy, imports of iron ore and pulp are decreasing, so we see downside risk for market conditions.

Q9)

For the energy business, was there any one-off profit included in Q1?

A9)(Hamazaki)

There was a one-off gain from the cancellation of derivatives due to the refinancing of LNG carriers, which was recorded in Q1.

Q10)

Regarding the energy business, please explain the background behind the downward revision of the profit forecast for the second half.

A10)(Hamazaki)

The main factors are the timing of drydocks/repairs of existing vessels being pushed to the second half, delay in new vessel deliveries, as well as a softer outlook for the chemical tanker market.

Q11)

We understand that the energy business consists of stable revenue businesses and market-driven businesses such as chemical tankers. Please tell us your assumptions for the future ratio of stable revenue businesses to market-driven businesses in overall earnings.

A11)(Hamazaki)

For the chemical tanker business, we expect a decrease in profit compared to last year due to softer market conditions and anticipated tariff impacts. The proportion of earnings from stable revenue businesses, such as LNG carriers, in which we are progressing investment, is expected to increase.

Q12)

Regarding the vehicle transport business, you have not incorporated tariff impacts and have raised the outlook for the number of vehicles transported in the second half. Is this figure optimistic or conservative?

A12)(Hamazaki)

At the previous results, we incorporated tariff impacts, but in Q1, there was no tariff impact, and cargo movement remained firm. In addition, the easing of port congestion led to fewer days vessels were waiting, improving operational efficiency, resulting in better-than-expected results. Considering these recent developments, as well as the assumption that tariffs on cars between Japan and the US will be reduced from 25% to 15%, we have made a reasonable judgment in setting the outlook for the second half.

Q13)

For the vehicle transport business, although the number of vehicles transported in the second half is expected to increase year-on-year, why do you expect a decrease in profit?

A13)(Sonoda)

This is due to the expected impact of foreign exchange rates and softer spot market conditions resulting from the increased supply of new vessels.