

**Major Questions and Answers
at the Q1 FY 2026 Financial Results Briefing (Online)**

Respondents: CFO Kazuya Hamazaki, CCO Sanae Sonoda

Q1)

At the beginning of the fiscal year, MOL had expected a negative impact of ¥24 billion from the situation in the Middle East. Please explain the current impact on each business segment and how the situation has changed compared with the initial assumptions.

A1) (Hamazaki)

In the initial guideline, we factored in the impact of higher fuel costs and a decline in cargo volumes to and from the Middle East, mainly in the containership, car carrier, and chemical tanker businesses. At present, while negative factors such as higher fuel costs and restrictions on certain routes remain, earnings in the containership business have improved. This is primarily due to freight rates exceeding our initial assumptions, supported by tighter supply-demand conditions driven by front-loaded shipments and port congestion, as well as fuel oil prices remaining below our initial assumptions.

In the chemical tanker business as well, there were impacts from factors such as a decline in cargo volumes to and from the Middle East and higher fuel costs. However, these were more than offset by stronger market conditions for cargoes from the Americas, resulting in earnings that are currently exceeding our initial assumptions.

On the other hand, in the car carrier business, in addition to restrictions on transportation to the Persian Gulf, vessel deployment efficiency has declined due to port congestion and vessel waiting times at alternative destinations. Together with factors such as an increase in short-term time charter in costs, this has weighed on earnings.

Q2)

Regarding shareholder returns, MOL targets a total payout ratio of around 40%. If earnings exceed its assumptions, please explain how MOL would determine the allocation between dividends and share buybacks, including the key factors considered in making that decision.

A2) (Hamazaki)

As the shareholder return policy under MOL Group's management plan, "BLUE ACTION 2035" Phase 2 (FY2026–FY2030), we have introduced a progressive dividend policy with ¥205 per share as the starting point and have set out a policy of flexibly conducting share buybacks with a target total payout ratio of around 40%.

Accordingly, if earnings exceed the initial assumptions and additional capacity for shareholder returns becomes available, our basic policy is to conduct share buybacks. The scale and timing of such buybacks will be determined based on a comprehensive assessment of factors including business performance, investment plans, financial position, and share price levels, and will be announced at an appropriate time following the necessary corporate approval process.

Q3)

Please explain the extent to which the synchronization of fiscal year-ends at overseas subsidiaries will contribute to earnings.

A3) (Hamazaki)

As a result of the alignment of fiscal year-ends, we will recognize 15 months of profit and loss from the relevant overseas consolidated subsidiaries in the current fiscal year.

For the full-year forecast of FY2026, the impact of the alignment of fiscal year-ends is expected to be an increase in revenue of approximately ¥207 billion and an increase in ordinary profit of approximately ¥3.9 billion.

It should also be noted that the earnings of the relevant consolidated subsidiaries include goodwill amortization and other acquisition-related expenses. Therefore, the impact on profit is more limited than the impact on revenue.

Q4)

Is extraordinary income expected to exceed the initial guideline?

A4) (Hamazaki)

The assumptions regarding extraordinary income remain unchanged from the initial guideline. While we are pursuing asset sales based on certain targets, there are still uncertainties regarding the timing and execution of such sales. The current earnings forecast incorporates the asset sale gains currently expected.

Q5)

The situation in the Middle East could lead to structural changes in maritime transportation, such as diversification of energy procurement sources, reconfiguration of supply chains, and the establishment of alternative shipping routes. For the outlook from the second half onward, does MOL assume that the business environment will return to its previous state without factoring in such structural changes?

A5) (Hamazaki)

In the current outlook, we assume that navigation around the Strait of Hormuz will gradually resume from October 2026 and normalize in January 2027. Based on this assumption, we expect shipping market conditions and the operating environment to gradually stabilize during the second half of the fiscal year.

On the other hand, the situation in the Middle East may lead to further diversification of energy procurement sources, reconfiguration of supply chains, and continued use of alternative shipping routes. These factors could affect market conditions through longer transportation distances and changes in the vessel supply-demand balance. However, at this point, we have not quantitatively incorporated such structural changes.

The future impact will depend on factors such as the timing of stabilization in the Middle East, shippers' procurement strategies, and inventory levels. We will therefore continue to closely monitor developments.

Q6)

Regarding the containership business, how do you view the trend of front-loaded shipments? Also, how do you view the current demand?

A6) (Hamazaki)

In the first quarter of FY 2026, front-loaded shipments occurred due to anticipation of higher fuel costs and changes in tariff policies. We understand this was driven by expectations of future increases in BAF (Bunker Adjustment Factor) and impacts from tariffs.

Although the current demand remains firm, we will continue to monitor carefully as cargo movements get affected by factors such as tariff policies, port congestion, situations in the Middle East, and fuel prices.

Q7)

My understanding is that businesses with market exposure and improvements in the current business environment in the Dry Bulk, Energy and Chemical Logistics Businesses contributed to the upward revision to the latest forecast. Could you explain the background of the upward revision in each business?

A7) (Hamazaki)

For Dry Bulk Business, a significant portion of the upward revision was driven by improvements in earnings in businesses with market exposure. In particular, capturing a rise in market rates for certain spot operations, such as Capesize bulkers, contributed to this.

For Energy Business, in addition to earnings improvements in certain spot operations for Crude Oil Tankers from a rise in market rates, securing relatively favorable terms in the renewal of mid-long term contracts contributed to the upward revision.

In Chemical Logistics Business, we initially expected a decrease in profit due to the situation in the Middle East. However, in practice, increases in freight rates for cargos from Americas, which are alternative to cargos from the Middle East, more than offset the impact. Hence, the profit for the first quarter of FY2026 was above the initial forecast. In the latest forecast, we have reflected these results and the current market conditions to the forecast for the second quarter, while assuming that market conditions will gradually stabilize thereafter.

Q8)

In Car Carrier Business, there was a downward revision of the profit for the first half of FY2026, while there was an upward revision for the second half. Could you explain the assumptions behind this revision?

A8) (Hamazaki)

For the first half of FY2026, in addition to the restriction on shipments bound for the Persian Gulf caused by the situation in the Middle East, fleet deployment efficiency declined due to port congestion and vessel waiting times at alternative destinations. As a result, costs, such as short-term chartering expenses incurred to compensate for the shortage in supply, became a factor weighing on earnings. On the other hand, assumptions for the second half are that port congestion and vessel waiting times will improve to a certain extent. We are working to recover the increase in fuel costs through BAF, but under the terms of the contracts, there is a certain time lag for recovery. We have factored in an assumption that an amount that was not able to be recovered in the first half will be recovered to a certain extent in the second half.