

# MOL INTERIM REPORT

## FY2023 Interim Report

[2023.4.1 - 2023.9.30]

**MOL**

Mitsui O.S.K. Lines

Securities Code: 9104

Special  
Feature

A new structure for the ferries and cruise businesses  
Implementing a “second founding” to strengthen  
the non-shipping business

**REPORT 1** Acquiring US chemical tanker company to further buttress our position as a major industry player

**REPORT 2** MOL's first female captain sets out on first car carrier voyage

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NOV. 2023





# To our shareholders



## Takeshi Hashimoto

Representative Director  
President, Chief Executive Officer

I would like to express my heartfelt gratitude to all of you for your ongoing support. First, let me extend my greetings as you read this FY2023 Interim Report on our consolidated results for the six months ended September 30, 2023.

With regard to full-year forecasts for FY2023, despite the impact of the strong market conditions experienced by the Containership Business in the previous fiscal year, we accumulated profits in the energy business and car carrier business, both of which are the strengths of the MOL Group. Performance in the first half exceeded forecasts as a result, and with the weaker yen also expected to have an impact on profits in the second half, we have raised the forecast for profit attributable to owners of parent from the ¥215 billion announced when results for the three months ended June 30, 2023 were released, to ¥220 billion. Accordingly, we have also raised the dividend forecast by ¥10 from the figure previously announced, to a planned ¥190 for the year.

In April, MOL announced the MOL Group corporate management plan “BLUE ACTION 2035.” With the aim of reforming our business portfolio into one that will maintain profitability even during shipping recessions, we will proactively invest in non-shipping businesses such as real property, ferry and cruise businesses, which are unrelated to the market cycle of the traditional shipping business. We are also planning to invest ¥650 billion as part of our environmental strategy. For our regional strategy, in addition to dividing overseas into five areas, strengthening the organization in each region, and moving forward with the delegation of authority in order to enhance the sustainability of the business, we will focus even more tightly on fields and regions where growth can be expected.

As we approach our 140th anniversary next year, we will implement the various strategies contained in BLUE ACTION 2035 with the intention of becoming a resilient global enterprise that will continue to expand and develop in the global market, and strive to achieve medium- to long-term enhancements of corporate value and sustainable growth.

We appreciate your continued understanding and support.

# Review of performance

\*Unit: billions of yen; the figures in parentheses represent losses

|   | FY2020          | FY2021           | FY2022         | FY2023 interim | FY2023 full-year (forecast)                                     |
|---|-----------------|------------------|----------------|----------------|---|
| <b>Consolidated</b>                                 |                 |                  |                |                |   |
| Revenues  | 991.4           | 1,269.3          | 1,611.9        | 790.1          | 1,590.0   |
| Operating profit/loss                               | (5.3)           | 55.0             | 108.7          | 49.3           | 90.0  |
| Business profit/loss*1                              | 127.6           | 712.3            | 777.1          | 105.3          | 170.0   |
| Ordinary profit/loss                                | 133.6           | 721.7            | 811.5          | 154.5          | 220.0   |
| Profit/loss attributable to owners of parent        | 90.0            | 708.8            | 796.0          | 150.7          | 220.0   |
| Exchange rate (average for the period)              | ¥105.95/\$      | ¥111.52/\$       | ¥134.67/\$     | ¥138.71/\$     | ¥141.31/\$<br>(Second-half assumption)                          |
| Unit price for marine fuel (average for the period) | \$355/MT        | \$585/MT         | \$745/MT       | \$610/MT       | \$560/MT <HSFO><br>\$660/MT <VLSFO><br>(Second-half assumption) |
| Dividend  | ¥50 per share*2 | ¥400 per share*2 | ¥560 per share | ¥110 per share | ¥190 per share  |

\*1 Operating profit/loss + equity in earnings of affiliated companies

\*2 MOL split its common stock on the basis of three shares per share effective April 1, 2022. The dividends per share presented above for FY2020 and FY2021 were calculated assuming that the stock split had been conducted at the beginning of FY2020.

## By business segment

\*Unit: billions of yen

|   |                                    | FY2022 interim | FY2023 interim |
|---|------------------------------------|----------------|----------------|
| <b>Dry Bulk Business</b>  |                                    |                |                |
| ▶ Dry bulk vessel (excluding steaming coal carriers)  | Revenues*1                         | 235.5          | 189.8          |
|   | Ordinary profit/loss               | 34.5           | 32.1           |
| <b>Energy Business</b>  |                                    |                |                |
| ▶ Tankers / ▶ Offshore vessels<br>▶ Wind power / ▶ Steaming coal carriers<br>▶ Liquefied gas (LNG carriers/LPG carriers/others) | Revenues                           | 189.1          | 214.9          |
|   | Ordinary profit/loss               | 22.1           | 37.6           |
| <b>Product Transport Business*2</b>   |                                    |                |                |
| ▶ Containerships<br>▶ Car carriers<br>▶ Terminal & logistics  | Revenues                           | 313.2          | 299.2          |
|   | Ordinary profit/loss               | 536.7          | 71.6           |
|   | Of which, Containership Business*3 | 26.5           | 28.0           |
|   | Ordinary profit/loss               | 494.7          | 33.3           |
| <b>Wellbeing &amp; Lifestyle Business*4</b>   |                                    |                |                |
| ▶ Real property business<br>▶ Ferries and coastal RoRo ships<br>▶ Cruises   | Revenues                           | 50.9           | 52.2           |
|   | Ordinary profit/loss               | 4.1            | 4.9            |
|   | Of which real property business    | 19.7           | 19.9           |
|   | Ordinary profit/loss               | 4.7            | 4.5            |
| <b>Associated Businesses*5</b>  |                                    |                |                |
| ▶ Tugboats<br>▶ Trading, etc.   | Revenues                           | 23.8           | 23.3           |
|   | Ordinary profit/loss               | 1.5            | 1.2            |
| <b>Other</b>  |                                    |                |                |
|   | Revenues                           | 8.6            | 10.5           |
|   | Ordinary profit/loss               | 0.1            | 2.6            |
| <b>Adjustment (corporate and eliminations)</b>  |                                    |                |                |
|   | Revenues                           | —              | —              |
|   | Ordinary profit/loss               | 0.5            | 4.2            |

### Breakdown of revenues

Dry Bulk Business

24.0%

Energy Business

27.2%

Product Transport Business

37.9%

Wellbeing & Lifestyle Business

6.6%

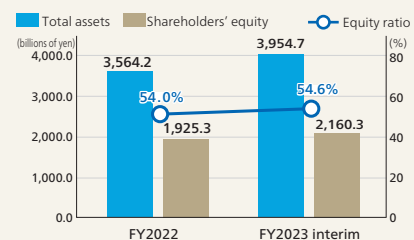
Associated Businesses

2.9%

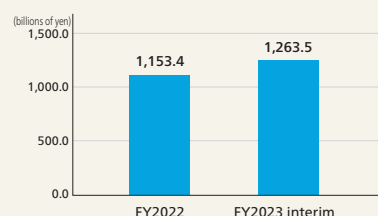
Other

1.3%

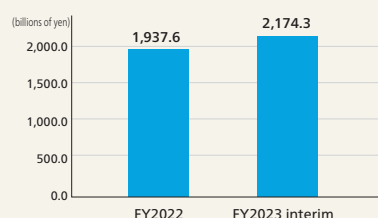
## Total assets, shareholders' equity, equity ratio



## Interest-bearing debt



## Net assets



## External credit ratings

|   | Class                   | Rating (Outlook, etc.) |
|---|-------------------------|------------------------|
| Japan Credit Rating Agency (JCR)        | Long-term issuer rating | A+ (Stable)            |
| Rating and Investment Information (R&I) | Issuer rating           | A- (Positive)          |
| Moody's                                 | Corporate family rating | Ba2 (Stable)           |

\*1 "Revenues" presents net sales to external customers.

\*2 With the establishment of the new Wellbeing & Lifestyle Business in FY2023, the Ferry and Coastal RoRo Ship Business was excluded from the Product Transport Business.

\*3 Since FY2022, the Terminal & Logistics Business was excluded from the Containership Business.

\*4 In FY2023, the Wellbeing & Lifestyle Business was established, which includes the Real Property Business, the Ferry and Coastal RoRo Ship Business, and the Cruise Business.

\*5 With the establishment of Wellbeing & Lifestyle Business in FY2023, the Cruise Business was excluded from Associated Businesses.

\*6 Results for the previous fiscal year have been revised to reflect the latest segment configuration.

Special Feature

## A new structure for the ferries and cruise businesses Implementing a “second founding” to strengthen the non-shipping business

The MOL Group corporate management plan “BLUE ACTION 2035” seeks to strengthen our non-shipping businesses including ferries, cruises and real property as operations that are not prone to being affected by shipping market conditions. In order to build a structure to achieve these goals, the MOL Group recently launched MOL Sunflower Ltd. as a group ferry company, and MOL Cruises, Ltd. as a group passenger ship company, and is working on new initiatives informed by the drive to implement a “second founding” of the business.

The MOL Group’s cruise business currently consists of a single vessel, Nippon Maru (22,472 gross tons, completed in 1990). In March 2023 the Group purchased a luxury class cruise ship (32,000 gross tons, completed 2009) from a US shipping company. Furthermore, in October 2023 MOL Cruises announced that it had selected “MITSUI OCEAN CRUISES” as its new cruise brand name, in accordance with which it has named the recently purchased cruise ship MITSUI OCEAN FUJI, with the latter beginning service in December 2024. The company plans to use the new ship for a round-the-world cruise beginning in April 2025 and lasting for 100 days. It also made the decision to build two new ships in the 35,000 gross ton-class, with the first of these being planned for completion in 2027.

In the Ferry and Coastal RoRo\* Ship Business, which has been the core operations of the MOL Group in

Japan for many years, a business integration took place between MOL Ferry Co., Ltd., which is mainly engaged in routes beginning and ending in the Tokyo Metropolitan region, and Ferry Sunflower Limited, which was responsible for routes linking Kansai and Kyushu. This resulted in MOL Sunflower Ltd. being established on October 1, 2023. In the ferry and coastal RoRo ship business, the new company will operate up to six regular routes with a complement of 15 vessels in service, the largest in Japan in that business.

The goals of the integration are to concentrate the management resources of group companies in order to promote digital transformation (DX) and a decarbonized society, and to establish a more efficient service to deal with the so-called 2024 logistics problem caused by a shortage of truck drivers. Based on changes in demand caused by the diversification of consumer lifestyles and values, the passenger services will accelerate the “Casual Cruise Concept,” which makes it easy to enjoy high-quality voyages, by improving customer service and strengthening marketing in the digital domain.

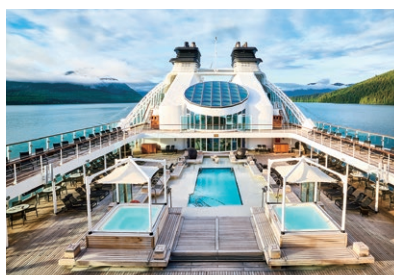
\*RoRo is an abbreviation for “roll-on roll-off,” indicating that vehicles board and leave the vessel under their own power. In this approach vehicles are loaded by driving over a ramp lowered onto the quay, as opposed to loading methods that require cargo to be lifted and lowered by crane. For ships that use this approach, those that transport passengers and cargo are generally referred to as ferries, and those dedicated to cargo transportation are referred to as RoRo vessels.

### ■ MITSUI OCEAN FUJI

(The vessel will undergo renovations by December 2024.)



All rooms are of suite type



Pool deck

### ■ SUNFLOWER KURENAI



Restaurant



REPORT 1

## Acquiring US chemical tanker company to further buttress our position as a major industry player

In addition to promoting the expansion of non-shipping businesses under the corporate management plan "BLUE ACTION 2035," the MOL Group is continuing to invest in designated growth areas within existing businesses, primarily in shipping. The MOL Group is also executing a regional strategy with the objective of asserting its presence as a global social infrastructure business group and achieving further expansion of the business. As part of this strategy, group company MOL Chemical Tankers Pte. Ltd. has acquired US shipping company Fairfield Chemical Carriers, further cementing its position as one of the leading chemical shipping companies worldwide. We will expand this business by capturing global growth in demand for transportation of liquid chemicals and other products.



Chemical tanker "ENSEMBLE"

REPORT 2

## MOL's first female captain sets out on first car carrier voyage

In June 2023, MOL appointed Naomi Matsushita captain of the car carrier *Beluga Ace*. This is the first time that a female seafarer of a Japanese oceangoing shipping company has boarded a vessel as its captain. "I believe that in the near future it will no longer be extraordinary to see women venturing into the world of the sea, even in Japan," commented Captain Matsushita. MOL has positioned the promotion of diversity, equity and inclusion (DE&I) as a "driving force for new growth," and has made it one of the basic principles of the "MOL Group Human Capital Vision." We will continue to embrace a diverse group of people, create a work environment and provide career support so that each individual can shine and play an active role.



Captain Naomi Matsushita (center)

REPORT 3

## "Creating, carrying, and using" clean energy

In accordance with the MOL Group corporate management plan, we conduct our business activities while valuing the preciousness of the ocean and the global environment. The MOL Group is continuing with initiatives to contribute to the sustainable development of people, societies, and the global environment, with the objective of achieving net zero emissions by 2050. Recently, the Group took the decision to participate in a project to manufacture clean ammonia using a production method that minimizes carbon dioxide (CO<sub>2</sub>) emissions. We are also engaged in initiatives for the transportation and use as marine fuel of ammonia and hydrogen, which do not emit CO<sub>2</sub> during combustion. We will help make the use of clean energy widespread, thus opening the way to a decarbonized society.



Large LPG/ammonia carrier "PHOENIX HARMONIA"

REPORT 4

## MOL Group company Daibiru develops mixed-use building in Sapporo, engages in redevelopment projects with local community

MOL Group company Daibiru, which is engaged in a real property business consisting primarily of ownership and leasing of office buildings, has commenced the Sapporo Daibiru Redevelopment Project in Hokkaido. On the former site of a retail facility the company is constructing a mixed-use building with 19 floors above ground and two below ground. It will incorporate offices, a TRUNK (HOTEL) hotel, and retail stores, and is scheduled to begin operation in 2027. As well as working with local interested parties on the redevelopment project, we aim to create a business with stable revenues and expand the real property operations as part of our efforts to strengthen the non-shipping business. Daibiru is moving forward with development projects not only in Japan but also in Vietnam, Australia, and other overseas locations.



Exterior view of Sapporo Daibiru (artist's impression of completed building)



## Notification of expansion of shareholder benefit program (MOL original catalog gifts)

Year 2024 will see the beginning of a presentation program whereby shareholders can select original catalog gifts, such as specialties of locations associated with the ferry and cruise businesses operated by the MOL Group, to a value of ¥3,000. We hope you enjoy ordering and receiving the gift of your choice.

- Eligible shareholders are those who are listed in the register of shareholders as of the end of March each year, and have held at least 300 shares of MOL continuously for at least two years\*.

\* MOL split its stock on the basis of three shares per share effective April 1, 2022. In the first year of this shareholder benefit program, this was handled by assuming the number of shares held at the end of March 2022 to be the same as if the stock had been split on that date.  
(In cases where 100 shares were held at the end of March 2022, the holder was deemed to have owned the post-split number of 300 shares.)

- The catalog is dispatched once a year in May-June.



Image of catalog

## Captain Uncle in motion! We start a new series of videos to introduce MOL!!

Well-known character Captain Uncle was created by the late Ryohei Yanagihara for MOL. MOL recently made Parts 1-4 of "Captain Uncle's Mystery Cruise" available. This series of videos uses Captain Uncle as a navigator to introduce the company to individual investors from various angles, arousing a sense of nostalgia in those of the Showa era, and a sense of freshness in younger generations.

We urge you to take time to watch this content, which will appeal to a wide range of viewers.



### Shareholder Notes

|   |  |   |   |
|---|--|---|---|
| <b>Fiscal year</b>                              | From April 1 to March 31 of following year | <b>Share transfer agent Management institution for special accounts</b> | Sumitomo Mitsui Trust Bank, Limited<br>4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo   |
| <b>Ordinary General Meeting of Shareholders</b> | June each year                             | <b>Address for items sent by mail</b>                                   | Stock Transfer Agency Sumitomo Mitsui Trust Bank, Limited<br>8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063  |
| <b>Record date</b>                              |  | <b>Telephone contact</b>  | 0120-782-031 (toll-free; within Japan only)   |
| <b>Ordinary General Meeting of Shareholders</b> | March 31 each year                         | <b>Website</b>  | <a href="https://www.smtb.jp/personal/procedure/agency/">https://www.smtb.jp/personal/procedure/agency/</a><br>(Japanese only)  |
| <b>Year-end dividend</b>                        | March 31 each year                         | <b>Notification method</b>  | Announced on corporate website.<br><a href="https://www.mol.co.jp/en/">https://www.mol.co.jp/en/</a>  |
| <b>Interim dividend</b>                         | September 30 each year                     |   | However, in the event of an accident or some other unavoidable circumstance that prevents the information being announced on the corporate website, notification will be made via "The Nikkei" newspaper. |
| <b>Shares listed on</b>                         | Tokyo Stock Exchange                       |   |   |

### cover photo



Cruise ship  
"MITSUI OCEAN FUJI"  
(artist's impression, the vessel will undergo renovations by December 2024.)



Ferry  
"SUNFLOWER KURENAI"



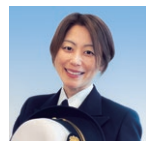
Daibiru Corporation  
Office building development project in central Melbourne, Australia  
(artist's impression of completed building)



Large ammonia-powered large bulk carrier  
(artist's impression of ship in operation)



Chemical tanker  
"HAKONE GALAXY"



MOL's first female captain, Naomi Matsushita