

# Mitsui O.S.K. Lines, Ltd.



## Financial Highlights: The Second Quarter Ended September 30, 2021

### 1. Consolidated Financial Highlights ( from April 1, 2021 to September 30, 2021 )

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

#### (1) Operating Results

	(¥Million)	
	Q2/FY2021	Q2/FY2020
<b>Revenues</b>	597,087	484,686
<b>Operating profit (loss)</b>	20,392	(4,222)
<b>Ordinary profit</b>	271,843	32,732
<b>Profit attributable to owners of parent</b>	274,848	30,251
	( ¥ )	
<b>Net income per share</b>	2,294.95	252.96
<b>Diluted net income per share</b>	2,285.56	251.62

#### (2) Financial Position

	(¥Million)	
	Q2/FY2021	FY2020
<b>Total assets</b>	2,415,856	2,095,559
<b>Total net assets</b>	997,357	699,150
<b>Shareholders' equity / Total assets</b>	36.1%	27.6%

\* 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
<b>FY2020</b>	—	15.00	—	135.00	150.00
<b>FY2021</b>	—	300.00	—	—	—
<b>FY2021 (Forecast)</b>	—	—	—	500.00	800.00

**3. Forecast for the Fiscal Year Ending March 31, 2022**

	(¥Million)
	FY2021
<b>Revenues</b>	1,220,000
<b>Operating profit</b>	45,000
<b>Ordinary profit</b>	480,000
<b>Profit attributable to owners of parent</b>	480,000
	( ¥ )
<b>Net income per share</b>	4,004.94

## 4. Business Performance

### (1) Analysis of Operating Results

(¥ Billion)

	Six months		Year-on-year comparison / Variance
	From April 1, 2020 to September 30, 2020	From April 1, 2021 to September 30, 2021	
Revenue	484.6	597.0	112.4 / 23.2%
Operating profit	(4.2)	20.3	24.6 / - %
Ordinary profit	32.7	271.8	239.1 / 730.5%
Profit attributable to owners of parent	30.2	274.8	244.5 / 808.5%
Exchange rate	¥107.37/US\$	¥109.41/US\$	¥2.04/US\$
Bunker price*	US\$296/MT	US\$514/MT	US\$218/MT

\*Average purchase price for all the major fuel grades

We recorded revenue of ¥597.0 billion, operating profit of ¥20.3 billion, ordinary profit of ¥271.8 billion and profit attributable to owners of parent of ¥274.8 billion. We recorded ¥243.6 billion of equity in net earnings of affiliated companies in non-operating income, mainly due to improved earnings at OCEAN NETWORK EXPRESS PTE. LTD (ONE), an equity method affiliate. The amount of equity in net earnings of affiliated companies we recorded which was attributable to ONE was ¥234.5 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 (Loss)

(¥ Billion)

	Six months		Year-on-year comparison / Variance
	From April 1, 2020 to September 30, 2020	From April 1, 2021 to September 30, 2021	
Dry Bulk Business	110.4	168.8	58.3 / 52.8%
	(0.0)	14.3	14.3 / - %
Energy and Offshore Business	151.8	146.8	(4.9) / (3.3%)
	20.3	10.9	(9.4) / (46.3%)
Product Transport Business	179.8	238.9	59.0 / 32.9%
	9.3	241.3	231.9 / 2,482.2%
Containerships	103.0	128.6	25.5 / 24.8%
	23.6	239.8	216.1 / 913.3%
Associated Businesses	48.3	52.5	4.2 / 8.7%
	4.8	4.3	(0.5) / (10.6%)
Others	10.4	11.6	1.1 / 11.4%
	0.9	1.8	0.9 / 98.9%

Note: Revenue includes internal sales or transfers among segments

**(A) Dry Bulk Business**

In the Capesize bulker market, while there was a firm flow of iron ore shipments from Australia and Brazil with minimal weather disruptions, vessel supply was tight amid border control measures in response to COVID-19 and increased congestion caused by typhoons in China, resulting in an upward trend in charter rates. In the Panamax bulker market, the charter rate remained at a high level, with supply becoming tight as was the case with Capesize bulkers due to stricter regulations to control COVID-19 in China and other countries, and strong shipments of grain and coal. Under these market conditions, along with the measures we took such as launching MOL Drybulk Ltd., which was established in April 2021 in order to improve the efficiency of vessel allocation and profitability, the dry bulk business as a whole posted significant year-on-year improvement in profit in the first six months of the fiscal year.

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

In the very large crude oil carrier (VLCC) market, the charter rate continued to fall short of pre-pandemic levels due to the continuation of coordinated output cuts by the OPEC Plus and the prolonged sluggish oil demand. The product tanker market showed some signs of improvement such as the resumption of economic activity in Europe and the U.S. thanks to the spread of vaccinations, but was adversely affected by decreased export shipments due to multiple major hurricane landfalls along the U.S. Gulf Coast and the start of the maintenance season at refineries in Japan and South Korea, and thus faced challenging market conditions from the middle of August. In the case of the chemical tanker market, while Atlantic routes remained in the slump triggered by the cold wave in the Gulf region of North America in February, rates on South American and Pacific routes improved. Under these market conditions, the tanker division as a whole suffered a decline in profit compared to the same period a year earlier, when charter rates were strong, despite the stable fulfillment of long-term contracts and cost reduction efforts.

**<LNG Carriers/Offshore business>**

The LNG carrier division continued to generate stable profit mainly through existing long-term charter contracts. In addition, one new LNG carrier started operation at an equity-method affiliate.

In the offshore business, one FPSO and one FSRU were delivered to put into a long-term contract for the respective new projects. Meanwhile, operations in existing projects such as subsea support vessels were generally steady. However, the charter contract for an existing FSRU was renewed, and this resulted in a deterioration of profitability year on year.

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

ONE, the Company's equity-method affiliate, saw cargo volume increase from the same period a year earlier on all routes except Asia-North America routes, where port congestion made schedule delays and service cancellations inevitable. In addition, since disruptions to operations in ports, inland transport and vessel schedules significantly impacted the supply-demand balance, spot freight rates remained considerably higher than the year-ago level. As a result, the Containerships business posted substantial year-on-year profit growth.

**<Car Carriers>**

Transportation volume of completed cars increased sharply from the same period of the previous year, when it had been affected by the global decrease in automobile production, although COVID-19-driven semiconductor supply shortages and component shortages due to lockdowns in Southeast Asia also had an impact. Profitability improved significantly year on year due to the recovery of cargo movements combined with the effect of the rationalization of vessel allocation, etc.

**<Ferries and Coastal RoRo Ships>**

The number of passengers recovered from the same period a year earlier but remained low compared with pre-pandemic levels, severely impacted due to the declaration of a state of emergency by the Japanese government which caused people to refrain from going out and traveling. The above factors combined with an increase in ship operation costs caused by rising bunker prices outweighed efforts to reduce costs and profit deteriorated year on year.

**(D) Associated Businesses**

The real estate business consistently secured profit on par with the year-ago level, despite a fall in sales associated with the reconstruction of some buildings held by Daibiru Corporation, the core company in the Group's real estate business. The cruise ship business, despite some cancellations, restarted cruise services during the period. However, profit deteriorated year on year mainly due to an increase in crew expenses associated with either preparations or

actual operations. The tugboat business posted a year-on-year increase in profit, reflecting the recovery in the number of vessels requiring tugboat services entering/leaving port.

**(E) Others**

Other businesses, which are mainly cost centers, such as ship operations, ship management, ship chartering and financing posted a year-on-year increase in profit.

**(2) Outlook for FY2021**

(¥ Billion)			
	Previous outlook (As of announcement of Q1 financial results)	Current outlook (As of announcement of Q2 financial results)	Year-on-year comparison / Variance
Revenue	1,100.0	1,220.0	120.0 / 10.9%
Operating profit	35.0	45.0	10.0 / 28.6%
Ordinary profit	350.0	480.0	130.0 / 37.1%
Profit attributable to owners of parent	335.0	480.0	145.0 / 43.3%
Exchange rate	¥110/US\$	¥110/US\$	-
Bunker price*1	\$390/MT	\$500/MT	\$110/MT
Compliant fuel price*2	\$500/MT	\$600/MT	\$100/MT
	(Assumptions for the 2nd half)	(Assumptions for the 2nd half)	

\*1 HSFO (High Sulfur Fuel Oil) average price

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

**(A) Dry Bulk Business**

In the Capesize bulker market, the charter rate is expected to remain strong for the rest of the year, reflecting strong shipments of iron ore from Australia and Brazil and port congestion in China caused by border control measures in response to COVID-19. From the beginning of the new year, the rate may weaken as a result of decline in iron ore shipments associated with cyclones in Australia and the rainy season in Brazil, but it will still be underpinned by the effects of COVID-19 border control measures. In the Panamax bulker market, demand for thermal coal shipments bound for China and India is expected to expand due to power shortages, and the charter rate is assumed to remain high for the rest of the year with COVID-19 regulations around the world creating a sense of tightness in vessel supply. From the beginning of the new year, the rate may enter a correction phase mainly due to curbs on coal use in China ahead of the nation hosting the Winter Olympics and a weak grain harvest in South America, but it will nonetheless remain firm, underpinned by tight vessel demand. Under these market conditions, the dry bulk business as a whole is expected to show year-on-year improvement in profit.

**(B) Energy and Offshore Business**

The very large crude oil carrier (VLCC) market is likely to stage a modest recovery on expectations for the resumption of economic activity and the easing of output cuts. The product tanker market is also expected to pick up as shipments of jet fuel and diesel fuel recover and as the northern hemisphere heads into heating demand peak season. While we anticipate a recovery in market conditions and cargo movements compared with recent levels, profit is expected to decrease year on year in the tanker division as a whole.

In the LNG carrier division, one LNG carrier is scheduled to be completed, and the division expects to continue to generate stable revenues mainly from existing long-term contracts.

In the offshore business, profitability is expected to deteriorate year on year chiefly due to the renewal of a charter contract for an FSRU, although one FPSO is scheduled to be completed.

**(C) Product Transport Business**

In the containerships business, we anticipate that the current robust shipments and space shortages will persist until the end of the year. However, from the beginning of the new year, sailing schedules are expected to normalize as the cargo movement decreases due to Chinese New Year holiday and the shortage of port workers and truck drivers eases in North America. Accordingly, we have factored into our forecast that freight rates will enter a correction phase.

Regarding the car carrier business, while the effects of COVID-19 and the shortage of semiconductors will be causes for concern in the short term, the tendency towards recovery in cargo volumes is expected to continue. We will continue to focus on rationalizing vessel allocation and operating more efficiently whilst maintaining an appropriate level of fleet size.

In the business of ferries and coastal RoRo ships, the impact of a resurgence of COVID-19 infections on business performance is a concern, but we expect that the number of passengers will recover to some extent, depending on changes in sentiment with the lifting of the state of emergency and government support measures for the travel industry.

**(D) Associated Businesses**

The impact of the COVID-19 pandemic on the real estate business is likely to be limited. For the cruise ship business and the travel business, business conditions are expected to recover to some extent. Fluctuations in business performance are possible depending on the COVID-19 situation, although the scale of these businesses is not large.

## 5. Financial Position

Total assets as of September 30, 2021 increased by ¥ 320.2 billion compared to the balance as of the end of the previous fiscal year, to ¥ 2,415.8 billion. This was primarily due to the increase in Investment securities.

Total liabilities as of September 30, 2021 increased by ¥ 22.0 billion compared to the balance as of the end of the previous fiscal year, to ¥ 1,418.4 billion. This was primarily due to the increase in Short-term bank loans.

Total net assets as of September 30, 2021 increased by ¥ 298.2 billion compared to the balance as of the end of the previous fiscal year, to ¥ 997.3 billion. This was primarily due to the increase in Retained earnings.

As a result, shareholders' equity ratio increased by 8.5% compared to the ratio as of the end of the previous Fiscal year, to 36.1%.



## 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, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	86,238	161,620
Trade receivables	86,828	—
Trade receivables and contract assets	—	113,936
Marketable securities	500	1,500
Inventories	29,615	33,516
Deferred and prepaid expenses	49,866	22,577
Other current assets	74,505	78,602
Allowance for doubtful accounts	(553)	(438)
Total current assets	327,000	411,314
Fixed assets		
Tangible fixed assets		
Vessels	625,896	612,770
Buildings and structures	145,171	143,515
Equipment and others	26,861	26,516
Furniture and fixtures	5,477	5,904
Land	252,794	253,587
Construction in progress	40,704	33,415
Other tangible fixed assets	2,551	5,498
Total tangible fixed assets	1,099,458	1,081,207
Intangible fixed assets	31,364	34,156
Investments and other assets		
Investment securities	459,357	707,921
Long-term loans receivable	83,258	88,229
Long-term prepaid expenses	9,926	9,551
Net defined benefit assets	24,172	15,991
Deferred tax assets	2,369	2,167
Other investments and other assets	79,184	86,869
Allowance for doubtful accounts	(20,533)	(21,553)
Total investments and other assets	637,736	889,177
Total fixed assets	1,768,559	2,004,542
<b>Total assets</b>	2,095,559	2,415,856

(¥Million)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
Current liabilities		
Trade payables	73,019	81,760
Short-term bonds	17,800	13,700
Short-term bank loans	166,879	252,632
Commercial papers	40,000	65,000
Accrued income taxes	4,119	4,894
Advances received	31,762	—
Contract liabilities	—	19,505
Allowance for bonuses	4,962	4,833
Other current liabilities	79,030	62,918
Total current liabilities	417,574	505,243
Fixed liabilities		
Bonds	163,200	199,500
Long-term bank loans	623,006	522,351
Lease obligations	14,059	17,881
Deferred tax liabilities	65,172	64,739
Net defined benefit liabilities	9,245	9,348
Allowance for directors' and corporate auditors' retirement benefits	1,645	1,320
Reserve for periodic drydocking	15,219	17,077
Other fixed liabilities	87,286	81,036
Total fixed liabilities	978,834	913,255
Total liabilities	1,396,409	1,418,499
Net assets		
Owners' equity		
Common stock	65,400	65,400
Capital surplus	45,351	45,327
Retained earnings	435,589	693,888
Treasury stock	(6,515)	(4,326)
Total owners' equity	539,825	800,290
Accumulated other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	29,917	30,630
Unrealized gains on hedging derivatives, net of tax	5,150	15,893
Foreign currency translation adjustments	(4,653)	19,777
Remeasurements of defined benefit plans, net of tax	7,541	5,323
Total accumulated other comprehensive income	37,956	71,625
Share option	1,347	1,114
Non-controlling interests	120,020	124,326
Total net assets	699,150	997,357
Total liabilities and net assets	2,095,559	2,415,856

## (2) Consolidated Statements of Income

(¥Million)

	FY2020 (Apr.1,2020 – Sep. 30, 2020)	FY2021 (Apr.1,2021 – Sep. 30, 2021)
Shipping and other revenues	484,686	597,087
Shipping and other expenses	446,904	532,668
Gross operating income	37,782	64,418
Selling, general and administrative expenses	42,005	44,025
Operating profit (loss)	(4,222)	20,392
Non-operating income		
Interest income	2,951	3,223
Dividend income	3,507	4,208
Equity in earnings of affiliated companies	30,641	243,638
Foreign exchange gains	6,929	8,797
Others	1,347	874
Total non-operating income	45,378	260,742
Non-operating expenses		
Interest expenses	6,752	5,986
Others	1,670	3,305
Total non-operating expenses	8,422	9,292
Ordinary profit	32,732	271,843
Extraordinary income		
Gain on sale of fixed assets	3,886	4,067
Others	3,969	6,998
Total extraordinary income	7,856	11,065
Extraordinary losses		
Loss on sale of fixed assets	107	699
Others	3,901	2,135
Total extraordinary losses	4,009	2,834
Income before income taxes and non-controlling interests	36,579	280,073
Income taxes	4,046	1,998
Net income	32,532	278,075
Profit attributable to non-controlling interests	2,280	3,227
Profit attributable to owners of parent	30,251	274,848

**(3) Consolidated Statements of Comprehensive Income**

(¥Million)

	FY2020 (Apr.1,2020 - Sep.30, 2020)	FY2021 (Apr.1,2021- Sep.30, 2021)
Net income	32,532	278,075
Other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	5,815	1,045
Unrealized gains on hedging derivatives, net of tax	(10,406)	2,739
Foreign currency translation adjustments	(2,914)	14,866
Remeasurements of defined benefit plans, net of tax	(283)	(2,216)
Share of other comprehensive income of associates accounted for using equity method	(20,919)	19,426
Total other comprehensive income	(28,707)	35,862
Comprehensive income	3,824	313,937
(Breakdown)		
Comprehensive income attributable to owners of parent	1,006	308,517
Comprehensive income attributable to non-controlling interests	2,817	5,419

**(4) Consolidated Statements of Cash flows**

(¥Million)

	FY2020 (Apr.1, 2020-Sep.30, 2020)	FY2021 (Apr.1, 2021-Sep.30, 2021)
<b>Cash flows from operating activities</b>		
Income before income taxes and non-controlling interests	36,579	280,073
Depreciation and amortization	42,819	42,796
Equity in losses (earnings) of affiliated companies	(30,641)	(243,638)
Various provisions (reversals)	(11,929)	(9,167)
Interest and dividend income	(6,459)	(7,432)
Interest expense	6,752	5,986
Loss (gain) on sale and retirement of non-current assets	(3,653)	(3,260)
Foreign exchange loss (gain), net	(6,417)	(8,059)
Decrease (Increase) in trade receivables	(2,897)	—
Decrease (Increase) in trade receivables and contract assets	—	(25,021)
Decrease (Increase) in inventories	10,129	(3,663)
Increase (Decrease) in trade payables	(8,728)	7,444
Others, net	8,776	14,661
<b>Sub total</b>	<b>34,329</b>	<b>50,719</b>
Interest and dividend income received	13,589	18,321
Interest expenses paid	(6,704)	(6,246)
Income taxes paid	(4,139)	(2,497)
<b>Net cash provided by (used in) operating activities</b>	<b>37,075</b>	<b>60,296</b>
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(2,949)	(3,853)
Proceeds from sale and redemption of investment securities	6,611	7,536
Purchase of non-current assets	(65,177)	(36,232)
Proceeds from sale of non-current assets	12,652	31,444
Disbursements for long-term loans receivables	(685)	(386)
Collection of long-term loans receivables	2,541	510
Others, net	(301)	(2,603)
<b>Net cash provided by (used in) investing activities</b>	<b>(47,308)</b>	<b>(3,583)</b>

	(¥Million)	
	FY2020 (Apr.1, 2020-Sep.30, 2020)	FY2021 (Apr.1, 2021-Sep.30, 2021)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term bank loans	28,797	(10,610)
Net increase (decrease) in commercial paper	22,500	25,000
Proceeds from long-term bank loans	56,250	41,927
Repayments of long-term bank loans	(61,609)	(54,204)
Proceeds from issuance of bonds	—	50,000
Redemption of bonds	(36,776)	(17,800)
Cash dividends paid by the company	(4,203)	(16,094)
Cash dividends paid to non-controlling interests	(6,288)	(742)
Others, net	(2,295)	(200)
Net cash provided by (used in) financing activities	(3,625)	17,273
Effect of foreign exchange rate changes on cash and cash equivalents	(935)	2,484
Net increase (decrease) in cash and cash equivalents	(14,794)	76,470
Cash and cash equivalents at beginning of year	102,283	83,436
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	(1,286)	—
Cash and cash equivalents at end of quarter	86,202	159,907

**[NOTE]****(Changes in Accounting Standards)****(Adoption of Accounting Standard for Revenue Recognition)**

The Company has adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020.), etc. from the beginning of the first Quarter of the fiscal year to recognize revenue at the amount expected to be received in exchange for the promised goods or services when the control of those goods or services is transferred to customers. As a result, the Company has decided to adopt the percentage of voyage-completion method mainly to freight revenue and freight revenue expenses, which were previously accounted under the completed-voyage method.

The adoption of "Accounting Standard for Revenue Recognition", etc. follows the transitional treatment prescribed in the proviso of Paragraph 84 of "Accounting Standard for Revenue Recognition". The cumulative effect of retroactive adoption of the new accounting policy prior to the beginning of the first Quarter of the fiscal year is added to or subtracted from retained earnings at the beginning of the first Quarter of the fiscal year, and the new accounting policy is adopted from the beginning balance. However, the new accounting policy has not been adopted retrospectively to contracts which recognized almost all amounts of revenue in accordance with the previous treatment prior to the beginning of the first Quarter of the fiscal year by adopting the method prescribed in Paragraph 86 of "Accounting Standard for Revenue Recognition". In addition, by adopting the method prescribed in Paragraph 86 (1) of "Accounting Standard for Revenue Recognition", changes in contracts made prior to the beginning of the first Quarter of the fiscal year are accounted for based on the contract terms after reflecting all changes in contracts, and the cumulative effect is added to or deducted from retained earnings at the beginning of the first Quarter of the fiscal year.

As a result, Shipping and other revenues increased by ¥15,891 million, Shipping and other expenses increased by ¥5,004 million, Selling, general and administrative expenses increased by ¥9 million, Operating profit increased by ¥10,876 million, and Ordinary profit and Income before income taxes and non-controlling interests each increased by ¥10,861 million in the first half of the current fiscal year. The balance of retained earnings at the beginning of the second Quarter of the fiscal year increased by ¥349 million.

Due to the adoption of "Accounting Standard for Revenue Recognition", etc., in the consolidated balance sheets of the previous fiscal year, Trade receivables presented in Current assets have been included in Trade receivables contract assets from the first Quarter of the fiscal year, and Advances received presented as Current liabilities and Unearned revenue included in Other current liabilities have been included in Contract liabilities. In the consolidated statements of cash flows for the first half of the previous fiscal year, Decrease (Increase) in trade receivables presented in Cash flows from operating activities is included in Decrease (Increase) in trade receivables and contract assets from the first half of the fiscal year. The Company has not reclassified financial statements of the previous fiscal year using the new presentation method in accordance with the transitional treatment prescribed in Paragraph 89 -2 of "Accounting Standard for Revenue Recognition".

**(Adoption of Accounting Standard for Fair Value Measurement)**

The Company has adopted "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019.), etc. from the beginning of the first Quarter of the fiscal year, and in accordance with the transitional treatment prescribed in Paragraph 19 of "Accounting Standard for Fair Value Measurement" and Paragraph 44 (-2) of "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the new accounting policy prescribed by "Accounting Standard for Fair Value Measurement", etc. will be adopted prospectively. There is no impact on the quarterly consolidated financial statements.

**(5) Segment Information**

Business segment information:

(¥Million)

Q2 / FY2020 (Apr.1 - Sep.30, 2020)	Reportable Segment						Others *1	Total	Adjust- ment *2	Consoli- dated *4
	Dry Bulk Business	Energy and Offshore Business	Product Transport Business		Associated Businesses	Sub Total				
			Container ships	Car Carries, Ferries and Coastal RoRo ships						
Revenues										
1.Revenues from external customers	110,423	147,509	102,546	76,718	39,816	477,014	7,672	484,686	—	484,686
2.Inter-segment revenues	41	4,348	501	84	8,565	13,543	2,818	16,361	(16,361)	—
Total Revenues	110,465	151,858	103,047	76,803	48,382	490,557	10,490	501,048	(16,361)	484,686
Segment profit (loss)	(49)	20,321	23,667	(14,322)	4,878	34,495	942	35,438	(2,705)	32,732

(¥Million)

Q2 / FY2021 (Apr.1 - Sep.30, 2021)	Reportable Segment						Others *1	Total	Adjust- ment *3	Consoli- dated *4
	Dry Bulk Business	Energy and Offshore Business	Product Transport Business		Associated Businesses	Sub Total				
			Container ships	Car Carries, Ferries and Coastal RoRo ships						
Revenues										
1.Revenues from external customers	168,707	142,620	128,038	110,219	40,122	589,708	7,379	597,087	—	597,087
2.Inter-segment revenues	117	4,268	571	109	12,474	17,542	4,302	21,845	(21,845)	—
Total Revenues	168,825	146,888	128,610	110,329	52,597	607,250	11,681	618,932	(21,845)	597,087
Segment profit (loss)	14,329	10,904	239,834	1,487	4,363	270,919	1,875	272,794	(951)	271,843

\* 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 ¥ -2,705 million include the following:  
¥ -4,980 million of corporate profit which is not allocated to segments, ¥ 2,688 million of adjustment for management accounting and ¥ -414 million of inter-segment transaction elimination.

\* 3. Adjustment in Segment profit(loss) of ¥ -951 million include the following:  
¥ -3,992 million of corporate profit which is not allocated to segments, ¥ 2,825 million of adjustment for management accounting and ¥ 215 million of inter-segment transaction elimination.

\* 4. Segment profit (loss) corresponds to ordinary profit in the consolidated statements of income.

\* 5. Notes to changes in reportable segments etc.

As stated in (Changes in Accounting Standards), We have adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first Quarter of the fiscal year and changed the accounting method for revenue recognition.

Due to this change, compared with the previous method, Revenues in the Dry Bulk Business increased by ¥ 11,621 million, Segment profit (loss) increased by ¥ 6,973 million, Revenues in the Energy and Offshore Business increased by ¥ 750 million, Segment profit (loss) increased by ¥ 297 million, Revenues in the Container ships Business decreased by ¥ 179 million, Segment profit (loss) decreased by ¥ 90 million, Revenues in the Car Carries, Ferries and Coastal RoRo ships Businesses increased by ¥ 3,905 million, Segment profit (loss) increased by ¥ 3,583 million, Revenues in Associated Businesses decreased by ¥ 207 million, Segment profit (loss) decreased by ¥ 7 million, Revenues in Others Business didn't change, and Segment profit (loss) increased by ¥ 105 million.

In addition, from the first Quarter of the fiscal year, the name of Energy Transport Business has been changed to Energy and Offshore Business. As a result of this change, the name of Energy Transport Business of the previous fiscal year has been changed as well. This change has no impact on segment information.

**[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****<FY2021>**

	Q1	Q2	Q3	Q4
	Apr-Jun, 2021	Jul-Sep, 2021	Oct-Dec, 2021	Jan-Mar, 2022
Revenues [ ¥ Millions]	288,874	308,213		
Operating profit (loss)	8,042	12,350		
Ordinary profit (loss)	104,268	167,575		
Income (Loss) before income taxes	106,423	173,650		
Profit (Loss) attributable to owners of parent	104,147	170,701		
Net income (loss)* per share [ ¥]	870.21	1,424.36		
Total Assets [ ¥ Millions]	2,217,926	2,415,856		
Total Net Assets	827,605	997,357		

\*Profit (Loss) attributable to owners of parent

**<FY2020>**

	Q1	Q2	Q3	Q4
	Apr-Jun, 2020	Jul-Sep, 2020	Oct-Dec, 2020	Jan-Mar, 2021
Revenues [ ¥ Millions]	251,471	233,215	246,998	259,742
Operating profit (loss)	(5,126)	904	3,140	(4,221)
Ordinary profit (loss)	7,358	25,374	40,252	60,620
Income (Loss) before income taxes	9,243	27,336	35,899	27,835
Profit (Loss) attributable to owners of parent	5,491	24,760	34,158	25,643
Net income (loss)* per share [ ¥]	45.92	207.04	285.62	214.40
Total Assets [ ¥ Millions]	2,036,451	2,053,393	2,056,306	2,095,559
Total Net Assets	614,648	632,667	656,153	699,150

\*Profit (Loss) attributable to owners of parent

**2. Depreciation and Amortization**

(¥ Millions)

	Six months ended Sep.30, 2020	Six months ended Sep.30, 2021	Increase / Decrease	FY2020
Vessels	31,718	31,133	(584)	61,305
Others	11,101	11,662	561	24,493
<b>Total</b>	<b>42,819</b>	<b>42,796</b>	<b>(22)</b>	<b>85,798</b>

**3. Interest-bearing Debt**

(¥ Millions)

	As of Mar.31, 2021	As of Sep.30, 2021	Increase / Decrease	As of Sep.30, 2020
Bank loans	789,885	774,983	(14,902)	833,211
Bonds	181,000	213,200	32,200	181,000
Commercial paper	40,000	65,000	25,000	47,500
Others	16,108	20,044	3,935	17,577
<b>Total</b>	<b>1,026,994</b>	<b>1,073,227</b>	<b>46,233</b>	<b>1,079,289</b>

**4. Fleet Capacity (MOL and consolidated subsidiaries)**

(No. of ships and deadweight ton)

	Dry bulkers		Tankers		LNG carriers*1		Car carriers		Containerships	
	No. of ships	1,000MT	No. of ships	1,000MT	No. of ships	1,000MT	No. of ships	1,000MT	No. of ships	1,000MT
Owned	43	4,630	71	9,023	26	1,972	48	856	15	1,200
Chartered	288	25,156	92	4,623	10	705	47	796	40	4,057
Others	-	-	1	35	2	143	-	-	-	-
<b>As of Sep.30, 2021</b>	<b>331</b>	<b>29,786</b>	<b>164</b>	<b>13,681</b>	<b>38</b>	<b>2,821</b>	<b>95</b>	<b>1,652</b>	<b>55</b>	<b>5,257</b>
As of Mar.31, 2021	312	28,759	169	13,889	39	2,893	95	1,649	60	5,608

	Ferries & Coastal RoRo ships		Passenger ships		Others*2		Total	
	No. of ships	1,000MT	No. of ships	1,000MT	No. of ships	1,000MT	No. of ships	1,000MT
Owned	10	54	1	4	7	47	221	17,787
Chartered	5	31	-	-	21	65	503	35,433
Others	-	-	-	-	1	1	4	179
<b>As of Sep.30, 2021</b>	<b>15</b>	<b>85</b>	<b>1</b>	<b>4</b>	<b>29</b>	<b>112</b>	<b>728</b>	<b>53,398</b>
As of Mar.31, 2021	15	85	1	4	30	117	721	53,004

\*1 Including offshore project ships and offshore gas project ships

\*2 Including coastal ships (excluding coastal RoRo ships)

**5. Exchange Rates**

	Six months ended Sep.30, 2020	Six months ended Sep.30, 2021	Change			FY2020
Average rates	¥107.37	¥109.41	¥2.04	[1.9%]	JPY Depreciated	¥105.95
Term-end rates	¥105.80	¥111.92	¥6.12	[5.8%]	JPY Depreciated	¥110.71

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.

## &lt;Overseas subsidiaries&gt;

	As of Jun.30, 2020	As of Jun.30, 2021	Change			As of Dec.31, 2020
Term-end rates	¥107.74	¥110.58	¥2.84	[2.6%]	JPY Depreciated	¥103.50

**6. Average Bunker Prices**

	Six months ended Sep.30, 2020	Six months ended Sep.30, 2021	Increase / Decrease
Purchase Prices	US\$296/MT	US\$514/MT	US\$218/MT

## 7. Market Information

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

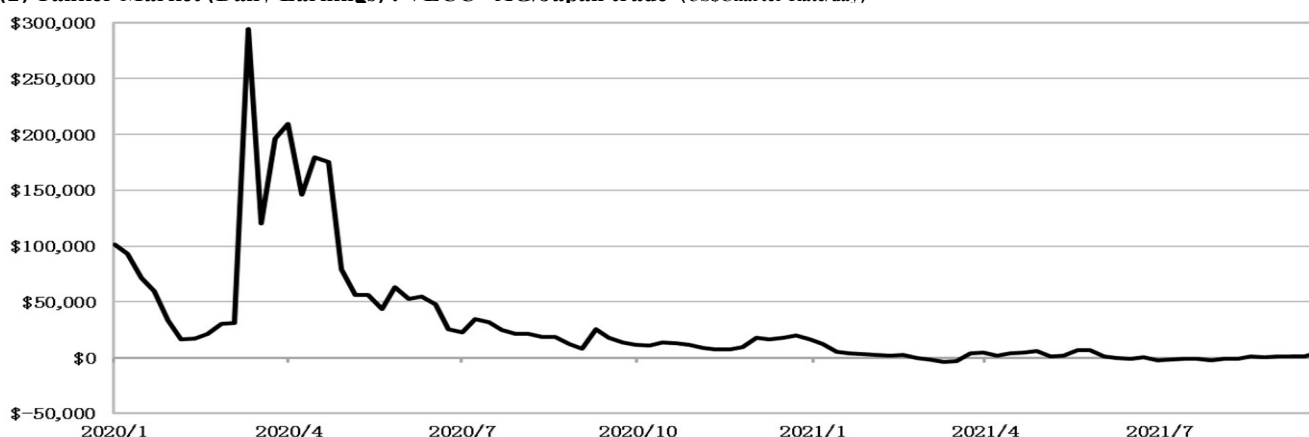
Source : Clarkson Research



Monthly Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2020	701	461	601	664	489	1,146	1,633	1,516	1,411	1,631	1,180	1,244	1,056
2021	1,658	1,500	2,018	2,475	2,965	2,932	3,188	3,720	4,288				2,749

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

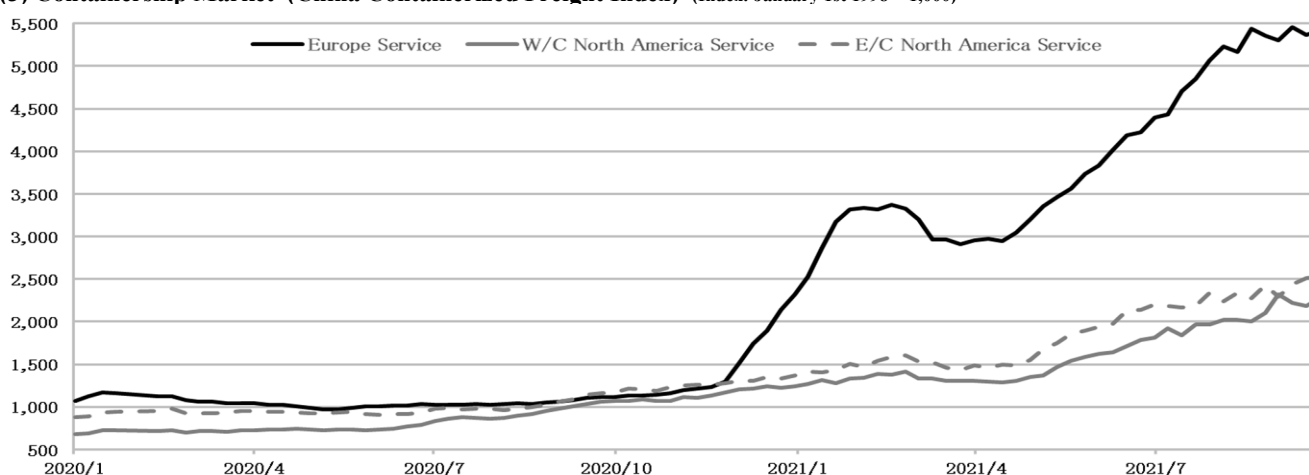
Source : Clarkson Research



Monthly Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2020	71,787	21,404	160,557	177,606	59,755	45,336	26,974	17,463	16,091	12,198	8,277	18,046	52,958
2021	8,221	1,639	-1,229	4,243	4,131	92	-1,800	-26	1,952				1,914

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

Source : Shanghai Shipping Exchange



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.