

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



Financial Highlights: The Third Quarter Ended December 31, 2021

## 1. Consolidated Financial Highlights ( from April 1, 2021 to December 31, 2021 )

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

### (1) Operating Results

(¥Million)

	Q3/FY2021	Q3/FY2020
Revenues	928,500	731,684
Operating profit (loss)	42,412	(1,082)
Ordinary profit	487,691	72,984
Profit attributable to owners of parent	487,187	64,409
		( ¥ )
Net income per share	4,065.12	538.58
Diluted net income per share	4,047.22	536.49

### (2) Financial Position

(¥Million)

	Q3/FY2021	FY2020
Total assets	2,556,362	2,095,559
Total net assets	1,185,367	699,150
Shareholders' equity / Total assets	41.4%	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
FY2020	—	15.00	—	135.00	150.00
FY2021	—	300.00	—	—	—
FY2021 (Forecast)	—	—	—	750.00	1,050.00

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

(¥Million)

	FY2021
Revenues	1,260,000
Operating profit	54,000
Ordinary profit	650,000
Profit attributable to owners of parent	630,000
	( ¥ )
Net income per share	5,254.68

## 4. Business Performance

### (1) Analysis of Operating Results

(¥ Billion)

	Nine months		Year-on-year comparison / Variance
	From April 1, 2020 to December 31, 2020	From April 1, 2021 to December 31, 2021	
Revenue	731.6	928.5	196.8 / 26.9%
Operating profit	(1.0)	42.4	43.4 / - %
Ordinary profit	72.9	487.6	414.7 / 568.2%
Profit attributable to owners of parent	64.4	487.1	422.7 / 656.4%
Exchange rate	¥106.53/US\$	¥110.51/US\$	¥3.98/US\$
Bunker price*	US\$315/MT	US\$539/MT	US\$225/MT

\*Average price for all the major fuel grades

We recorded revenue of ¥928.5 billion, an operating profit of ¥42.4 billion, an ordinary profit of ¥487.6 billion, and profit attributable to owners of parent of ¥487.1 billion. We recorded ¥430.4 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 ¥415.3 billion.

The following is a summary of business conditions including revenue and ordinary profit per business segment.

#### Upper: Segment Revenue, Lower: Segment Ordinary Profit

(¥ Billion)

	Nine months		Year-on-year comparison / Variance
	From April 1, 2020 to December 31, 2020	From April 1, 2021 to December 31, 2021	
Dry Bulk Business	162.8	267.9	105.0 / 64.5%
	1.2	31.9	30.7 / 2,547.5%
Energy and Offshore Business	220.0	224.5	4.4 / 2.0%
	26.5	18.2	(8.3) / (31.3%)
Product Transport Business	284.9	370.3	85.3 / 30.0%
	40.0	430.1	390.0 / 972.7%
Containerships	158.0	198.6	40.6 / 25.7%
	53.3	425.1	371.7 / 697.1%
Associated Businesses	72.3	80.5	8.1 / 11.3%
	7.5	7.1	(0.3) / (4.8%)
Others	16.1	17.8	1.7 / 10.7%
	2.3	2.4	0.1 / 5.0%

Note: Revenue includes internal sales or transfers among segments

**(A) Dry Bulk Business**

In the Capesize bulker market, vessel supply-demand balance was tight due to factors such as strong demand for the transportation of raw materials among major natural resource companies and steel manufacturers driven by rising iron ore and steel product prices, along with supply constraints caused by the persistent congestion in China resulting from border control measures in response to COVID-19 and typhoons. As a result, charter rates climbed through to the beginning of October. After that, the market entered an adjustment phase, as congestion eased and China's steel demand and crude steel output slowed down, but overall, the rates remained firm.

In the Panamax bulker market, the charter rates remained in an upward trend through to mid-October, reflecting a tight supply-demand balance due to strong shipments of grain and coal as well as stricter regulations to control COVID-19 in China and other countries, as was the case with Capesize bulkers. Although the rates subsequently weakened, they held firm throughout the entire nine-month period.

Under these market conditions, along with the measures we took such as efforts made at MOL Drybulk Ltd., which was established in April 2021 to improve the efficiency of vessel allocation and profitability, the dry bulk business as a whole posted a significant year-on-year improvement in profit in the first nine months of the fiscal year.

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

In the very large crude oil carrier (VLCC) market, the environment remained challenging. The COVID-19 pandemic and coordinated output cuts by the OPEC Plus hampered the recovery of crude oil cargo movements, and an oversupply of tanker shipping capacity compounded the situation. The product tanker market showed some signs of improvement after economic activity was temporarily resumed with the spread of vaccines. However, the resurgence of COVID-19 infections soon put an end to the market upturn, making market conditions difficult. The chemical tanker market also struggled, with typhoons disrupting Far East sailing schedules.

Under these market conditions, while the tanker division as a whole endeavored to stably fulfill long-term contracts and reduce costs, it suffered a decline in profit compared to the same period a year earlier when charter rates were strong.

**<LNG Carriers/Offshore business>**

In the LNG carrier division, one new LNG-bunkering vessel was delivered and started services under a long-term charter contract. The division as a whole continued to generate stable profit mainly through existing long-term charter contracts. In the offshore business, operations in existing projects were generally steady and profitability was mostly unchanged year on year.

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

ONE, the Company's equity-method affiliate, saw cumulative liftings for the first nine months increase year on year due to brisk cargo demand. However, liftings in the third quarter alone were down year on year due to a decline in available capacity caused by port congestion, mainly in North America. On the other hand, the supply-demand balance remained tight, reflecting continued disruption throughout the supply chain, from ports to inland transport. Spot freight rates soared to a considerably higher level than the previous year. Higher profit in the Terminals & Logistics business reflecting the recovery of handling volume also bolstered segment profitability and, as a result, the Containerships business posted substantial year-on-year profit growth.

**<Car Carriers>**

Transportation volume of completed cars increased significantly from the same period of the previous year, when it had been affected by the global decrease in automobile production amid the COVID-19 pandemic, despite the impact of semiconductor shortages and shortages of auto parts caused by lockdowns in Southeast Asia. Profitability improved significantly year on year due to the recovery of cargo movements combined with the further improvement in the supply-demand environment.

**<Ferries and Coastal RoRo Ships>**

Ferries and Coastal RoRo ships' cargo volume remained firm. In contrast, the number of passengers, although showing some improvement from the same period a year earlier, was lower compared with pre-pandemic levels, severely impacted by the declaration of a state of emergency by the Japanese government, which made people refrain from going out and traveling. Profit deteriorated year on year due to the factors above combined with an increase in ship operation costs caused by rising bunker prices.

**(D) Associated Businesses**

The real estate business consistently secured profit on par with the year-ago level, despite a fall in revenues 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 restarted cruise services but profit deteriorated year on year mainly due to an increase in crew expenses associated with the service resumption and the preparation for it. 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 Q2 financial results)	Current outlook (As of announcement of Q3 financial results)	Comparison / Variance
Revenue	1,220.0	1,260.0	40.0 / 3.3%
Operating profit	45.0	54.0	9.0 / 20.0%
Ordinary profit	480.0	650.0	170.0 / 35.4%
Profit attributable to owners of parent	480.0	630.0	150.0 / 31.3%

Exchange rate	¥110.00/US\$	¥115.00/US\$	¥5.00/US\$
Bunker price *1	US\$500/MT	US\$510/MT	US\$10/MT
Compliant fuel price *2	US\$600/MT	US\$670/MT	US\$70/MT
	(Assumptions for the 2nd half)	(Assumptions for Q4)	

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

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

**(A) Dry Bulk Business**

The Capesize bulker market is currently weak, reflecting sluggish iron ore shipments due to the impact of heavy rainfall in southeastern Brazil. Looking ahead, an additional decrease in iron ore shipments is expected due to the effects of cyclones in Australia and the rainy season in northern Brazil. As a result, the market upside is expected to be limited in the fourth quarter. In the Panamax bulker market, the charter rates are anticipated to rise gradually due to factors such as high expectations for the South American grain season and growth in coal demand after the Chinese New Year and the Winter Olympics. Under these market conditions, the dry bulk business as a whole is expected to show a year-on-year improvement in profit.

**(B) Energy and Offshore Business**

In the very large crude oil carrier (VLCC) market, charter rates are expected to recover gradually on the back of an increase in demand for petroleum-based heating oil resulting from rising LNG prices and the resumption of economic activity around the world alongside the progress of vaccine programs in respective countries. The product tanker market is also expected to pick up as the northern hemisphere heads into the winter heating demand peak season. However, in the tanker division as a whole, profit is expected to be below the level a year earlier when charter rates were high.

The LNG carrier division is expected to continue generating stable profits mainly from existing long-term charter contracts. In the offshore business, one FPSO is scheduled to be delivered.

**(C) Product Transport Business**

In the containerships business, liftings are expected to fall due to the Chinese New Year and the ongoing supply chain disruption. Nonetheless, given that there is no sign of any end to port congestion or the shortage of port workers and truck drivers in North America, the drop in spot freight rates is expected to be limited. Add to this higher handling volume in the Terminals & Logistics business, and business results for the whole Containerships segment are expected to remain strong, despite some decline from the third quarter.

In the car carrier business, the tendency towards a recovery in cargo volumes is expected to continue, despite concerns about the effects of COVID-19 and the semiconductor shortage on cargo movements in the short term. 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 COVID-19 infections on financial results will be a concern, if a spread of the Omicron variant continues and the number of passengers declines.

#### **(D) Associated Businesses**

The impact of a resurgence in COVID-19 infections on the real estate business is likely to be limited. In the cruise ship business and the travel business, however, business performance will be impacted depending on how long the situation persists, although the scale of these businesses is not large.

## **5. Financial Position**

Total assets as of December 31, 2021 increased by ¥ 460.8 billion compared to the balance as of the end of the previous fiscal year, to ¥ 2,556.3 billion. This was primarily due to the increase in Investment securities.

Total liabilities as of December 31, 2021 decreased by ¥ 25.4 billion compared to the balance as of the end of the previous fiscal year, to ¥ 1,370.9 billion. This was primarily due to the decrease in Long-term bank loans.

Total net assets as of December 31, 2021 increased by ¥ 486.2 billion compared to the balance as of the end of the previous fiscal year, to ¥ 1,185.3 billion. This was primarily due to the increase in Retained earnings.

As a result, shareholders' equity ratio increased by 13.8 points compared to the ratio as of the end of the previous Fiscal year, to 41.4%.

## 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 December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	86,238	121,847
Trade receivables	86,828	—
Trade receivables and contract assets	—	123,453
Marketable securities	500	500
Inventories	29,615	38,239
Deferred and prepaid expenses	49,866	23,146
Other current assets	74,505	59,783
Allowance for doubtful accounts	(553)	(417)
Total current assets	327,000	366,552
Fixed assets		
Tangible fixed assets		
Vessels	625,896	619,515
Buildings and structures	145,171	141,290
Equipment and others	26,861	25,656
Furniture and fixtures	5,477	5,541
Land	252,794	253,104
Construction in progress	40,704	37,150
Other tangible fixed assets	2,551	5,379
Total tangible fixed assets	1,099,458	1,087,639
Intangible fixed assets	31,364	35,153
Investments and other assets		
Investment securities	459,357	867,118
Long-term loans receivable	83,258	102,188
Long-term prepaid expenses	9,926	9,107
Net defined benefit assets	24,172	16,148
Deferred tax assets	2,369	2,053
Other investments and other assets	79,184	92,259
Allowance for doubtful accounts	(20,533)	(21,857)
Total investments and other assets	637,736	1,067,017
Total fixed assets	1,768,559	2,189,810
Total assets	2,095,559	2,556,362

(¥Million)

	As of March 31, 2021	As of December 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	73,019	84,590
Short-term bonds	17,800	13,700
Short-term bank loans	166,879	167,462
Commercial papers	40,000	38,000
Accrued income taxes	4,119	7,975
Advances received	31,762	—
Contract liabilities	—	21,447
Provision for bonuses	4,962	2,926
Other current liabilities	79,030	59,505
<b>Total current liabilities</b>	<b>417,574</b>	<b>395,608</b>
<b>Fixed liabilities</b>		
Bonds	163,200	199,500
Long-term bank loans	623,006	590,935
Lease obligations	14,059	17,579
Deferred tax liabilities	65,172	65,962
Net defined benefit liabilities	9,245	9,460
Provision for directors' and corporate auditors' retirement benefits	1,645	1,423
Provision for periodic drydocking	15,219	16,405
Other fixed liabilities	87,286	74,120
<b>Total fixed liabilities</b>	<b>978,834</b>	<b>975,387</b>
<b>Total liabilities</b>	<b>1,396,409</b>	<b>1,370,995</b>
<b>Net assets</b>		
<b>Owners' equity</b>		
Common stock	65,400	65,400
Capital surplus	45,351	45,327
Retained earnings	435,589	870,029
Treasury stock	(6,515)	(3,662)
<b>Total owners' equity</b>	<b>539,825</b>	<b>977,095</b>
<b>Accumulated other comprehensive income</b>		
Unrealized holding gains on available-for-sale securities, net of tax	29,917	31,078
Unrealized gains on hedging derivatives, net of tax	5,150	20,193
Foreign currency translation adjustments	(4,653)	25,436
Remeasurements of defined benefit plans, net of tax	7,541	5,055
<b>Total accumulated other comprehensive income</b>	<b>37,956</b>	<b>81,763</b>
Share option	1,347	1,008
Non-controlling interests	120,020	125,500
<b>Total net assets</b>	<b>699,150</b>	<b>1,185,367</b>
<b>Total liabilities and net assets</b>	<b>2,095,559</b>	<b>2,556,362</b>

**(2) Consolidated Statements of Income**

(¥Million)

	FY2020 (Apr. 1, 2020 - Dec.31,2020)	FY2021 (Apr. 1, 2021 - Dec.31,2021)
Shipping and other revenues	731,684	928,500
Shipping and other expenses	669,745	818,557
Gross operating income	61,939	109,942
Selling, general and administrative expenses	63,021	67,529
Operating profit (loss)	(1,082)	42,412
Non-operating income		
Interest income	4,495	5,132
Dividend income	5,594	6,871
Equity in earnings of affiliated companies	62,937	430,435
Foreign exchange gains	9,997	12,679
Others	2,159	2,125
Total non-operating income	85,185	457,244
Non-operating expenses		
Interest expenses	9,641	8,763
Others	1,477	3,201
Total non-operating expenses	11,118	11,965
Ordinary profit	72,984	487,691
Extraordinary income		
Gain on sale of fixed assets	5,996	8,220
Others	4,559	8,470
Total extraordinary income	10,556	16,690
Extraordinary losses		
Loss on sale of fixed assets	5,410	582
Others	5,651	3,808
Total extraordinary losses	11,061	4,390
Income before income taxes and non-controlling interests	72,478	499,992
Income taxes	4,526	7,803
Net income	67,952	492,188
Profit attributable to non-controlling interests	3,542	5,000
Profit attributable to owners of parent	64,409	487,187



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

	(¥Million)	
	FY2020 (Apr. 1, 2020 - Dec.31, 2020)	FY2021 (Apr. 1, 2021- Dec.31, 2021)
Net income	67,952	492,188
Other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	10,301	1,736
Unrealized gains on hedging derivatives, net of tax	(18,323)	5,022
Foreign currency translation adjustments	(7,297)	14,569
Remeasurements of defined benefit plans, net of tax	(423)	(2,484)
Share of other comprehensive income of associates accounted for using equity method	(21,947)	27,266
Total other comprehensive income	(37,689)	46,110
Comprehensive income	30,262	538,298
(Breakdown)		
Comprehensive income attributable to owners of parent	25,644	530,995
Comprehensive income attributable to non-controlling interests	4,617	7,303

**[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 ¥18,913 million, Shipping and other expenses increased by ¥5,063 million, Selling, general and administrative expenses decreased by ¥20 million, Operating profit increased by ¥13,869 million, and Ordinary profit and Income before income taxes and non-controlling interests each increased by ¥13,839 million in the the third Quarter of the current fiscal year. The balance of retained earnings at the beginning of the third 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. 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.

**(4) Segment Information**

Business segment information:

(¥ Million)

Q3 / FY2020 (Apr.1 - Dec.31, 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	162,778	213,711	157,270	126,806	59,293	719,859	11,824	731,684	—	731,684
2.Inter-segment revenues	87	6,367	776	129	13,055	20,416	4,317	24,733	(24,733)	—
Total Revenues	162,866	220,078	158,046	126,935	72,349	740,276	16,142	756,418	(24,733)	731,684
Segment profit (loss)	1,205	26,540	53,332	(13,234)	7,513	75,358	2,376	77,734	(4,750)	72,984

(¥ Million)

Q3 / FY2021 (Apr.1 - Dec.31, 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	267,814	217,892	197,814	171,526	61,988	917,036	11,463	928,500	—	928,500
2.Inter-segment revenues	143	6,653	839	171	18,544	26,352	6,404	32,757	(32,757)	—
Total Revenues	267,957	224,545	198,653	171,698	80,533	943,388	17,868	961,257	(32,757)	928,500
Segment profit (loss)	31,928	18,236	425,108	5,023	7,155	487,453	2,495	489,949	(2,257)	487,691

\* 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 ¥ -4,750 million include the following:  
¥ -7,283 million of corporate profit which is not allocated to segments, ¥ 3,833 million of adjustment for management accounting and ¥ -1,300 million of inter-segment transaction elimination.

\* 3. Adjustment in Segment profit (loss) of ¥ -2,257 million include the following:  
¥ -7,246 million of corporate profit which is not allocated to segments, ¥ 4,206 million of adjustment for management accounting and ¥ 781 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 ¥ 12,762 million, Segment profit (loss) increased by ¥ 8,943 million, Revenues in the Energy and Offshore Business increased by ¥ 1,991 million, Segment profit (loss) increased by ¥ 782 million, Revenues in the Containerships Business decreased by ¥ 189 million, Segment profit (loss) decreased by ¥ 116 million, Revenues in the Car Carries, Ferries and Coastal RoRo ships Businesses increased by ¥ 4,686 million, Segment profit (loss) increased by ¥ 4,051 million, Revenues in Associated Businesses decreased by ¥ 337 million, Segment profit (loss) decreased by ¥ 28 million, Revenues in Others Business didn't change, and Segment profit (loss) increased by ¥ 207 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.

**(Material Subsequent Events)**

(Tender Offer for Share Certificates, of Utoc Corporation)

**(1) Purpose of the Tender Offer**

With the aim of making Utoc Corporation ("Utoc"), a consolidated subsidiary of Mitsui O.S.K Lines, Ltd. (the "Tender Offeror"), a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror resolved at its board of directors meeting held on November 30, 2021 to acquire the common stock of Utoc, which are listed on the First Section of the Tokyo Stock Exchange, through a tender offer (the "Utoc Tender Offer") under the Financial Instruments and Exchange Act and implemented the Utoc Tender Offer from December 1, 2021 to January 18, 2022. The results of the Utoc Tender Offer are as follows.

**(2) Outline of Target Company**

- (i) Name  
Utoc Corporation
- (ii) Location  
6-85, Bentendori, Naka-ku, Yokohama
- (iii) Title and name of representative  
Masahiro Tanabe, Representative Director and President
- (iv) Type of business  
Port transport business, maritime transport business, automated transport of general cargo, cargo transport consignment business, warehouse business, customs business, construction business, real estate business
- (v) Stated capital  
2,155 million yen
- (vi) Date of incorporation  
December 8, 1915

**(3) Outline of the Utoc Tender Offer**

- (i) Class of Share Certificates, Etc. to be Purchased, Etc.  
Shares of common stock
- (ii) Tender Offer Period  
From December 1, 2021 (Wednesday) to January 18, 2022 (Tuesday) (30 business days)
- (iii) Price of Tender Offer  
725 yen per common stock
- (iv) Commencement Date of Settlement  
January 25, 2022 (Tuesday)

**(4) Results of the Utoc Tender Offer**

- (i) Outcome of the Utoc Tender Offer  
The Tender Offeror had not set a maximum or minimum number of share certificates, etc. to be purchased Etc. in the Utoc Tender Offer and therefore purchased all of the Tendered Share Certificates, Etc..
- (ii) Number of Share Certificates, Etc.  
Common stock 12,187,329 (Shares)
- (iii) Ownership Ratio of Share Certificates, Etc. After Tender Offer  
95.05%
- (iv) Total Purchase Price  
8,835,813,525 yen

Since the Tender Offeror intends to make Utoc a wholly-owned subsidiary of the Tender Offeror and was unable to acquire all of the Utoc Shares of common stock (excluding Shares of common stock of Utoc held by the Tender Offeror and treasury shares held by Utoc; the same applies below) through the Utoc Tender Offer, the Tender Offeror

plans to acquire all of the Utoc Shares of common stock through a series of procedures (Demand for Shares Cash-Out) to make the Tender Offeror the sole shareholder of Utoc.

#### (5) Overview of Accounting

The Tender Offeror plans to account for the Tender Offer as a transaction under common control defined by "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019) with the date of business combination as January 25, 2022.

#### (Tender Offer for Share Certificates, of DAIBIRU CORPORATION)

##### (1) Purpose of the Tender Offer

With the aim of making DAIBIRU CORPORATION ("DAIBIRU"), a consolidated subsidiary of the Tender Offeror, a wholly-owned subsidiary of the Tender Offeror, the Tender Offeror resolved at its board of directors meeting held on November 30, 2021 to acquire the common stock of DAIBIRU, which are listed on the First Section of the Tokyo Stock Exchange, through a tender offer (the "DAIBIRU Tender Offer") under the Financial Instruments and Exchange Act and implemented the DAIBIRU Tender Offer from December 1, 2021 to January 18, 2022. The results of the DAIBIRU Tender Offer are as follows.

##### (2) Outline of Target Company

- (i) Name  
DAIBIRU CORPORATION
- (ii) Location  
3-6-32, Nakanoshima, Kita-ku, Osaka
- (iii) Title and name of representative  
Toshiyuki Sonobe, Representative Director, President Chief Executive Officer
- (iv) Type of business  
Ownership, operation, management, and leasing of real estate
- (v) Stated capital  
12,227 million yen
- (vi) Date of incorporation  
October 15, 1923

##### (3) Outline of the DAIBIRU Tender Offer

- (i) Class of Share Certificates, Etc. to be Purchased, Etc.  
Shares of common stock
- (ii) Tender Offer Period  
From December 1, 2021 (Wednesday) to January 18, 2022 (Tuesday) (30 business days)
- (iii) Price of Tender Offer  
2,200 yen per common stock
- (iv) Commencement Date of Settlement  
January 25, 2022 (Tuesday)

##### (4) Results of the DAIBIRU Tender Offer

- (i) Outcome of the DAIBIRU Tender Offer  
Though the Tender Offeror had set a minimum number of share certificates, etc. (16,928,034 (shares)) to be purchased, the total number of Share Certificates, Etc. tendered in the Tender was greater than the minimum number of shares to be purchased in the DAIBIRU Tender Offer and therefore the Tender Offeror purchased all of the Tendered Share Certificates, Etc..
- (ii) Number of Share Certificates, Etc.  
Common stock 35,200,639 (Shares)
- (iii) Ownership Ratio of Share Certificates, Etc. After Tender Offer  
82.60 %

- (iv) Total Purchase Price  
77,441,405,800 yen

Since the Tender Offeror intends to make DAIBIRU a wholly-owned subsidiary of the Tender Offeror and was unable to acquire all of the DAIBIRU Shares of common stock (excluding Shares of common stock of DAIBIRU held by the Tender Offeror and treasury shares held by DAIBIRU; the same applies below) through the DAIBIRU Tender Offer, the Tender Offeror plans to acquire all of the DAIBIRU Shares of common stock through a series of procedures (Share Consolidation) to make the Tender Offeror the sole shareholder of DAIBIRU.

(5) Overview of Accounting

The Tender Offeror plans to account for the Tender Offer as a transaction under common control defined by "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019) with the date of business combination as January 25, 2022.

[REFERENCE PURPOSE ONLY]

Please note that this document has been translated from the Japanese original for reference purposes only and the financial statements contained are 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	331,413	
Operating profit (loss)	8,042	12,350	22,020	
Ordinary profit (loss)	104,268	167,575	215,848	
Income (Loss) before income taxes	106,423	173,650	219,919	
Profit (Loss) attributable to owners of parent	104,147	170,701	212,339	
Net income (loss)* per share [ ¥]	870.21	1,424.36	1,769.19	
Total Assets [ ¥ Millions]	2,217,926	2,415,856	2,556,362	
Total Net Assets	827,605	997,357	1,185,367	

\*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)

	Nine months ended Dec.31, 2020	Nine months ended Dec.31, 2021	Increase / Decrease	FY2020
Vessels	47,436	46,612	(823)	61,305
Others	16,651	17,556	904	24,493
<b>Total</b>	<b>64,088</b>	<b>64,169</b>	<b>81</b>	<b>85,798</b>

**3. Interest-bearing Debt**

(¥ Millions)

	As of Mar.31, 2021	As of Dec.31, 2021	Increase / Decrease	As of Dec.31, 2020
Bank loans	789,885	758,397	(31,488)	815,999
Bonds	181,000	213,200	32,200	181,000
Commercial paper	40,000	38,000	(2,000)	60,000
Others	16,108	19,675	3,566	17,031
<b>Total</b>	<b>1,026,994</b>	<b>1,029,273</b>	<b>2,278</b>	<b>1,074,031</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	4,674	71	8,865	22	1,619	48	856	15	1,200
Chartered	276	24,891	88	4,398	10	705	47	796	36	3,774
Others	-	-	1	35	2	143	-	-	-	-
<b>As of Dec.31, 2021</b>	<b>319</b>	<b>29,564</b>	<b>160</b>	<b>13,298</b>	<b>34</b>	<b>2,468</b>	<b>95</b>	<b>1,652</b>	<b>51</b>	<b>4,974</b>
<b>As of Mar 31, 2021</b>	<b>312</b>	<b>28,759</b>	<b>169</b>	<b>13,889</b>	<b>39</b>	<b>2,893</b>	<b>95</b>	<b>1,649</b>	<b>60</b>	<b>5,608</b>

	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	217	17,319
Chartered	5	31	-	-	24	74	486	34,669
Others	-	-	-	-	1	1	4	179
<b>As of Dec.31, 2021</b>	<b>15</b>	<b>85</b>	<b>1</b>	<b>4</b>	<b>32</b>	<b>121</b>	<b>707</b>	<b>52,167</b>
<b>As of Mar 31, 2021</b>	<b>15</b>	<b>85</b>	<b>1</b>	<b>4</b>	<b>30</b>	<b>117</b>	<b>721</b>	<b>53,004</b>

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

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

**5. Exchange Rates**

	Nine months ended Dec.31, 2020	Nine months ended Dec.31, 2021	Change			FY2020
Average rates	¥106.53	¥110.51	¥3.98	[3.7%]	JPY Depreciated	¥105.95
Term-end rates	¥103.50	¥115.02	¥11.52	[11.1%]	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 Sep.30, 2020	As of Sep.30, 2021	Change			As of Dec.31, 2020
Term-end rates	¥105.80	¥111.92	¥6.12	[5.8%]	JPY Depreciated	¥103.50

**6. Average Bunker Prices**

	Nine months ended Dec.31, 2020	Nine months ended Dec.31, 2021	Increase / Decrease
Purchase Prices	US\$315/MT	US\$539/MT	US\$225/MT



## 7. Market Information

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

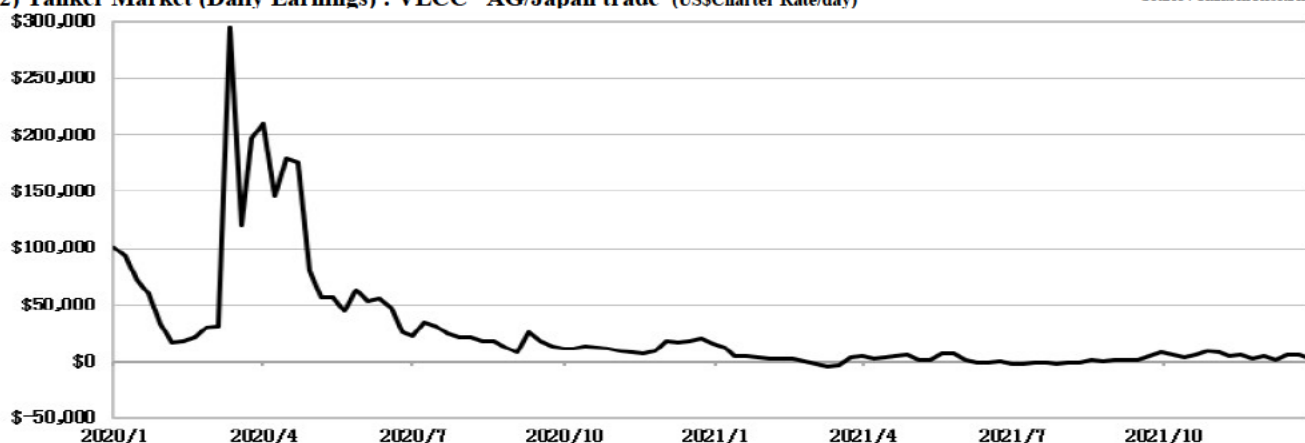
Source : Clarkson Research



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	4,820	2,780	2,832	2,931

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

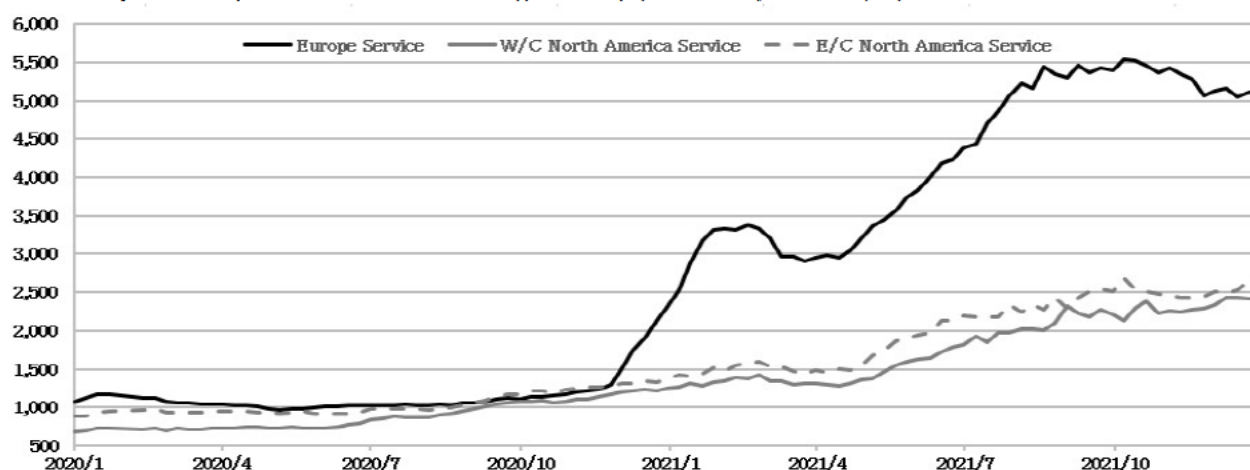
Source : Clarkson Research



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	6,201	5,269	4,024	2,726

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

Source : Clarkson Research



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