Mitsui O.S.K. Lines,Ltd.

MOL

Financial Highlights: The Third Quarter Ended December 31, 2022

1. Consolidated Financial Highlights (from April 1, 2022 to December 31, 2022)

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

(1) Operating Results

(¥Million)

	Q3/FY2022	Q3/FY2021
Revenues	1,257,968	928,500
Operating profit	96,244	42,412
Ordinary profit	739,254	487,691
Profit attributable to owners of parent	723,245	487,187

(¥)

Net income per share	2,003.07	1,355.04
Diluted net income per share	1,995.50	1,349.07

* The Company split its common share on the basis of one (1) share into three (3) shares effective April 1, 2022.
  Accordingly, net income per share and diluted net income per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year ended March 31, 2022.

(2) Financial Position

(¥Million)

	Q3/FY2022	FY2021
Total assets	3,522,800	2,686,701
Total net assets	1,917,992	1,334,866
Shareholders' equity / Total assets	54.1%	47.4%

* 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
FY2021	—	300.00	—	900.00	1,200.00
FY2022	—	300.00	—	—	—
FY2022 (Forecast)	—	—	—	260.00	560.00

* The Company split its common share on the basis of one (1) share into three (3) shares effective April 1, 2022.
  Accordingly, the dividends per share for the fiscal year ended March 31, 2022 represent the actual amount of dividends before the stock split.

3. Forecast for the Fiscal Year Ending March 31, 2023

(¥Million)

	FY2022
Revenues	1,600,000
Operating profit	105,000
Ordinary profit	785,000
Profit attributable to owners of parent	800,000

(¥)

Net income per share	2,215.35

4. Business Performance

(1) Analysis of Operating Results

(¥ Billion)

	Nine months		Year-on-year comparison / Variance	
	From April 1, 2021 to December 31, 2021	From April 1, 2022 to December 31, 2022		
Revenue	928.5	1,257.9	329.4 /	35.5%
Operating profit	42.4	96.2	53.8 /	126.9%
Ordinary profit	487.6	739.2	251.5 /	51.6%
Profit attributable to owners of parent	487.1	723.2	236.0 /	48.5%
Exchange rate	¥110.51/US$	¥135.48/US$		¥24.97/US$
Bunker price*	US$539/MT	US$787/MT		US$248/MT

*Average price for all the major fuel grades

We recorded revenue of ¥1,257.9 billion, an operating profit of ¥96.2 billion, an ordinary profit of ¥739.2 billion and profit attributable to owners of parent of ¥723.2 billion.

We recorded ¥607.6 billion of equity in net earnings of affiliated companies in non-operating income, mainly due to a significant increase in 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 ¥567.1 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)

	Nine months		Year-on-year comparison / Variance	
	From April 1, 2021 to December 31, 2021	From April 1, 2022 to December 31, 2022		
Dry Bulk Business	267.8	344.4	76.6 /	28.6%
	31.9	52.3	20.3 /	63.9%
Energy Business	217.8	297.4	79.5 /	36.5%
	18.2	34.8	16.5 /	90.9%
Product Transport Business	369.3	528.8	159.5 /	43.2%
	430.1	638.9	208.8 /	48.6%
Containerships	43.0	40.9	(2.0) /	(4.8%)
	414.6	566.2	151.6 /	36.6%
Real Property Business	29.1	29.9	0.7 /	2.7%
	8.9	7.4	(1.4) /	(16.7%)
Associated Businesses	32.8	42.3	9.4 /	28.8%
	(1.7)	(0.4)	1.3 /	－%
Others	11.4	14.9	3.4 /	30.1%
	2.4	1.6	(0.8) /	(33.0%)

Note: Revenue shows sales to external customers

(A) Dry Bulk Business

After peaking in mid-May on the back of robust coal demand in India, Capesize bulker market rates dropped sharply until the end of August, reflecting a less tight vessel supply-demand balance due to improved vessel capacity utilization through the relaxation or removal of COVID-19 restrictions, in addition to an uncertain global economic outlook. Subsequently, despite signs of a temporary tightening of the market due to bad weather in China at the beginning of October, market rates lacked buoyancy in the absence of any other supportive factors. Panamax bulker rates held firm from April despite the impact of decreased cargo movements due to the COVID-19 pandemic and a less tight vessel supply and demand balance as mentioned earlier; however, there was a noticeable downward trend from July due to global economic slowdown and decreased China-bound cargo movements. Market remained weak from October, reflecting lackluster shipments of grain and coal destined for China.

Despite these market conditions, the dry bulk business as a whole posted year-on-year improvement in profit in the first nine months of the fiscal year due to the partial reversal of an allowance for doubtful accounts recorded in the past in relation to a loan to GEARBULK HOLDING AG, an equity-method affiliate, as a result of improvement in this company's financial position, in addition to the stable fulfilment of medium- and long-term contracts and steady efforts to tap into shipments of cargoes transported by open-hatch bulkers and twin-decker multipurpose vessels.

(B) Energy Business

<Tankers>

In the very large crude oil carrier (VLCC) market, conditions remained challenging during the first six months due to the oversupply of vessels; however, from the summer, vessel demand grew and market conditions recovered due to factors such as an increase in ton-miles associated with shifts in trading patterns amid the Russia-Ukraine conflict, higher crude oil demand during the winter, and releases from the U.S. strategic petroleum reserve. While there were times when both demand and supply decreased and the market stagnated due to rising petroleum product prices and maintenance at refineries, product tanker market rates remained at a high level, by factors such as the same higher ton-mile demand attributable to the Russia-Ukraine conflict seen in the VLCC market.

In this market environment, by stably performing existing long-term contracts and endeavoring to reduce costs, the tanker business as a whole posted a year-on-year increase in profits.

<Offshore>

The FPSO business secured stable profit through existing long-term charter contracts and reported a year-on-year increase in profit partly thanks to the newly commenced project.

<Liquefied Gas>

Whilst continuing to generate stable profit through existing long-term charter contracts, the LNG carrier business posted a year-on-year decline in profit partially due to the effect of the expiration of some long-term contracts. The FSRU business posted a year-on-year increase in profit, reflecting the additional operation brought by the conclusion of a new short-term contract for an existing vessel.

(C) Product Transport Business

<Containerships>

ONE, the Company’s equity-method affiliate, saw a sharp fall in spot freight rates from August due to factors such as rising inflation in Europe and the U.S., weak shipping demand in the U.S. due to the accumulated buildup of product inventories, and increased shipping capacity with the easing of port congestion. As a result, the third quarter posted a profit decline year on year, as well as compared to the first and the second quarter of this fiscal year. However, the containerships business posted substantial year-on-year profit growth in the first nine months of the fiscal year, largely due to the buildup of profit in the first six months.

<Car Carriers>

Despite the ongoing global semiconductor shortage and the continued automotive component shortages attributable to the COVID-19 pandemic and other factors, we secured higher transportation volume than a year earlier by flexibly reviewing vessel allocation plans. As a result the car carriers business achieved year-on-year profit growth.

<Terminal and Logistics>

Container volumes in the terminal business held firm despite the ease of congestion at terminals in the U.S. from the summer. Meanwhile, the logistics business was affected by the decline in market conditions. However, thanks to the contribution of profit accumulated in the first six months, the terminal and logistics business as a whole posted higher profit than a year earlier.

<Ferries and Coastal RoRo Ships>

The passenger transportation business saw a significant increase in the number of passengers year on year, by successfully tapping into domestic travel demand stimulated through the national travel discount program and other campaigns run by the Japanese government, as well as demand to return home for the New Year holidays. Similarly in the cargo transportation business, inland cargo movements maintained the firm tone seen in the same period a year earlier and underpinned profit growth. As a result, the ferries and coastal RoRo ships business overall achieved improvement in profit year on year.

(D) Real Property Business

The real property business secured stable profit, despite a year-on-year drop in profits associated with the reconstruction of some buildings held by DAIBIRU CORPORATION, the core company in the Group’s real property business.

(E) Associated Businesses

The cruise ship business achieved improved profitability year on year due to an increase in operations. The tugboat business posted a year-on-year increase in profit due to a rise in the number of vessels requiring tugboat services entering/leaving port and revision of tugboat service fees, though the situation varies depending on each company and port.

(F) Others

Other businesses, which are mainly cost centers, include ship operations, ship management, ship chartering and financing. Ordinary profit in this segment decreased year on year.

(2) Outlook for FY2022

(¥ Billion)

	Previous outlook (As of announcement of Q2 financial results)	Current outlook (As of announcement of Q3 financial results)	Comparison / Variance
Revenue	1,600.0	1,600.0	－ / －%
Operating profit	86.0	105.0	19.0 / 22.1%
Ordinary profit	800.0	785.0	(15.0) / (1.9%)
Profit attributable to owners of parent	790.0	800.0	10.0 / 1.3%

	(Assumptions for the 2nd half)	(Assumptions for Q4)	
Exchange rate	¥135.00/US$	¥131.17/US$	¥(3.83)/US$
Bunker price *1	US$420/MT	US$400/MT	US$(20)/MT
Compliant fuel price *2	US$710/MT	US$610/MT	US$(100)/MT

*1 HSFO (High Sulfur Fuel Oil) average purchase price
*2 VLSFO (Very Low Sulfur Fuel Oil) average purchase price

(A) Dry Bulk Business

A continued lack of buoyancy in Capesize bulker market rates is forecasted on expectations for slow growth in iron ore exports due to the rainy season in Brazil and cyclones in Australia, coupled with maintenance at loading ports. Panamax bulker market rates are expected to remain weak with cargo movements remaining sluggish, given that China's economic recovery from the COVID-19 pandemic is likely to be slow. Due to the expected recovery of cargo movements driven by the ending of Chinese New Year from February and the grain harvesting season in South America from March, market conditions are expected to improve to some extent but there is unlikely to be any big rebound.

However, the impact of the market fluctuations on our dry bulk business results will be limited because we have reduced our market exposure to a certain level.

(B) Energy Business

On the very large crude oil carrier (VLCC), the supply and demand balance is expected to tighten and market rates are likely to hold firm based on expectations for a rebound in demand with the end of China's zero COVID-19 policy and a continued increase in ton-miles due to sanctions against Russia. Product tanker rates are expected to remain robust based also on the assumption of ton-mile-growth driven by a ban on the import of Russian petroleum products led by Europe and the U.S., prompting the procurement of alternatives from further afield as well as an increase in export volumes after the issuance of additional export quotas by the Chinese government.

The offshore business is projected to continue generating stable profit, with another new FPSO charter set to start in FY2022.

In the liquefied gas business, the LNG carrier business will continue to maintain stable profit even though profitability is expected to decrease year on year as a result of the expiry of an existing long-term contract. We expect profit and loss of FSRU business to improve as a result of the acquisition of a short-term additional contract for an existing vessel and its entry into operation.

(C) Product Transport Business

In the containerships business, we expect it to take a certain amount of time for the rapidly dropped spot freight rates and shipment volumes to recover after the Chinese New Year, given rising inflation and the effect of inventory adjustments in the U.S.

In the car carrier business, as economic activity returns to normal, we forecast year-on-year growth in transportation volume and higher profit. We will continue striving for efficient vessel allocation in line with cargo movements while monitoring the impact of inflation and other factors on economies worldwide.

In the terminal and logistics business, demand is likely to weaken and we anticipate a decline in container handling volumes.

In the ferries and coastal RoRo ships business, demand for the transportation of passengers and cargoes is likely to maintain its recovery trend. There are also expectations of an increase in passengers with the entry into service of Japan’s first LNG-fueled ferry Sunflower Kurenai on the Osaka-Beppu route on January 13, and for revenue growth in the cargo transportation business due to an increase in truck loading capacity.

(D) Real Property Business

The real property business is expected to report a decline in rental income as a result of the reconstruction of a building owned but will continue to post solid profits due mainly to the rising occupancy rates of overseas properties.

(E) Associated Businesses

The cruise ship business anticipates a recovery in demand as the restrictions on activity to prevent the spread of COVID-19 are lifted, and profit and loss is expected to improve.

5. Financial Position

Total assets as of December 31, 2022 increased by ¥ 836.0 billion compared to the balance as of the end of the previous fiscal year, to ¥ 3,522.8 billion. This was primarily due to the increase in investment securities.

Total liabilities as of December 31, 2022 increased by ¥ 252.9 billion compared to the balance as of the end of the previous fiscal year, to ¥ 1,604.8 billion. This was primarily due to the increased in short-term bank loans.

Total net assets as of December 31, 2022 increased by ¥ 583.1 billion compared to the balance as of the end of the previous fiscal year, to ¥ 1,917.9 billion. This was primarily due to the increase in retained earnings.

As a result, shareholders’ equity ratio increased by 6.6% compared to the ratio as of the end of the previous fiscal year, to 54.1%.

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, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	99,878	114,888
Trade receivables	109,891	131,242
Contract assets	15,601	7,999
Marketable securities	1,000	500
Inventories	46,085	57,911
Deferred and prepaid expenses	21,545	28,887
Other current assets	58,748	146,282
Allowance for doubtful accounts	(1,298)	(1,602)
Total current assets	351,452	486,109
Fixed assets		
Tangible fixed assets		
Vessels	632,105	695,035
Buildings and structures	127,954	126,588
Equipment and others	25,290	27,502
Furniture and fixtures	5,529	5,630
Land	254,594	265,239
Construction in progress	59,988	151,200
Other tangible fixed assets	5,688	8,246
Total tangible fixed assets	1,111,152	1,279,443
Intangible fixed assets	36,624	38,312
Investments and other assets		
Investment securities	978,848	1,382,758
Long-term loans receivable	110,104	123,222
Long-term prepaid expenses	8,562	9,091
Net defined benefit assets	18,957	19,132
Deferred tax assets	1,217	1,213
Other investments and other assets	93,343	206,334
Allowance for doubtful accounts	(23,562)	(22,818)
Total investments and other assets	1,187,472	1,718,934
Total fixed assets	2,335,249	3,036,690
Total assets	2,686,701	3,522,800

(¥Million)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Trade payables	96,034	121,063
Short-term bonds	23,700	25,000
Short-term bank loans	192,170	335,956
Commercial papers	8,000	6,000
Accrued income taxes	8,624	17,812
Advances received	2,188	2,547
Contract liabilities	23,125	30,351
Provision for bonuses	9,433	5,053
Other current liabilities	50,726	61,384
Total current liabilities	414,002	605,169
Fixed liabilities		
Bonds	189,500	174,500
Long-term bank loans	575,101	555,237
Lease liabilities	10,803	10,993
Deferred tax liabilities	74,516	86,923
Net defined benefit liabilities	9,355	9,675
Provision for directors' and corporate auditors' retirement benefits	1,485	956
Provision for periodic drydocking	15,836	18,002
Other fixed liabilities	61,233	143,347
Total fixed liabilities	937,832	999,638
Total liabilities	1,351,835	1,604,807
Net assets		
Owners' equity		
Common stock	65,400	65,589
Capital surplus	23,090	－
Retained earnings	1,091,250	1,499,254
Treasury stock	(2,267)	(1,538)
Total owners' equity	1,177,474	1,563,305
Accumulated other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	34,010	29,975
Unrealized gains on hedging derivatives, net of tax	27,161	82,160
Foreign currency translation adjustments	29,232	224,016
Remeasurements of defined benefit plans, net of tax	6,691	5,927
Total accumulated other comprehensive income	97,095	342,080
Share option	781	696
Non-controlling interests	59,514	11,911
Total net assets	1,334,866	1,917,992
Total liabilities and net assets	2,686,701	3,522,800

(2) Consolidated Statements of Income

(¥Million)

	FY2021 (Apr. 1, 2021 - Dec. 31, 2021)	FY2022 (Apr. 1, 2022 - Dec. 31, 2022)
Shipping and other revenues	928,500	1,257,968
Shipping and other expenses	818,557	1,065,343
Gross operating income	109,942	192,625
Selling, general and administrative expenses	67,529	96,380
Operating profit	42,412	96,244
Non-operating income		
Interest income	5,132	10,045
Dividend income	6,871	6,716
Equity in earnings of affiliated companies	430,435	607,695
Foreign exchange gains	12,679	22,313
Others	2,125	10,958
Total non-operating income	457,244	657,729
Non-operating expenses		
Interest expenses	8,763	12,589
Others	3,201	2,129
Total non-operating expenses	11,965	14,718
Ordinary profit	487,691	739,254
Extraordinary income		
Gain on sale of fixed assets	8,220	10,177
Others	8,470	14,468
Total extraordinary income	16,690	24,646
Extraordinary losses		
Loss on sale of fixed assets	582	219
Others	3,808	4,421
Total extraordinary losses	4,390	4,640
Income before income taxes and non-controlling interests	499,992	759,260
Income taxes	7,803	33,648
Net income	492,188	725,611
Profit attributable to non-controlling interests	5,000	2,366
Profit attributable to owners of parent	487,187	723,245

(3) Consolidated Statements of Comprehensive Income

(¥Million)

	FY2021 (Apr. 1, 2021 - Dec. 31, 2021)	FY2022 (Apr. 1, 2022 - Dec. 31, 2022)
Net income	492,188	725,611
Other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	1,736	(4,036)
Unrealized gains on hedging derivatives, net of tax	5,022	14,512
Foreign currency translation adjustments	14,569	71,449
Remeasurements of defined benefit plans, net of tax	(2,484)	(764)
Share of other comprehensive income of associates accounted for using equity method	27,266	166,422
Total other comprehensive income	46,110	247,584
Comprehensive income	538,298	973,195
(Breakdown)		
Comprehensive income attributable to owners of parent	530,995	968,229
Comprehensive income attributable to non-controlling interests	7,303	4,965

[NOTE]

(Notes in the Event of Significant Changes in Shareholders' Capital)

Since the balance of capital surplus turned negative at the end of the third Quarter of the fiscal year due to additional purchase of the shares of consolidated subsidiaries, capital surplus was reduced to nil whereby the negative balance was deducted from retained earnings in accordance with "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, September 13, 2013.).

(Changes in Accounting Standards)

(Adoption of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has adopted "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021.) from the beginning of the first Quarter of the fiscal year ending March 31, 2023, and in accordance with the transitional treatment prescribed in Paragraph 27-2 of "Implementation Guidance on Accounting Standard for Fair Value Measurement", the new accounting policy prescribed by "Implementation Guidance on Accounting Standard for Fair Value Measurement" will be adopted prospectively. There is no impact on the quarterly consolidated financial statements.

(Adoption of ASC 842, Lease Accounting)

Some of consolidated foreign subsidiaries of the Company adopting Generally Accepted Accounting Principles in the U.S. have adopted ASC 842, Lease Accounting, effective from the beginning of the first Quarter of the fiscal year ending March 31, 2023. In accordance with the adoption of the standard, the Company decided to record leasing transactions of the lessee of the subsidiaries, for all leases in principle, in assets and liabilities on the quarterly Balance Sheet. In the adoption of the standard, the subsidiaries have adopted a method that recognizes the cumulative effect on the date of initial application, which is permitted as a transitional treatment.

As a result, "Other investments and other assets" in investments and other assets increased by ¥ 82,761 million, "Other current liabilities" in current liabilities increased by ¥ 6,987 million, and "Other fixed liabilities" in fixed liabilities increased by ¥ 75,774 million at the beginning of the fiscal year. There is no impact on the quarterly consolidated statements of income in the third Quarter of the fiscal year ending March 31, 2023.

(Changes in Method of Evaluating Inventories)

The MOL Group has mainly adopted the cost method based on the moving average method for evaluating raw materials and supplies included in inventories. However, the Company and some of its consolidated subsidiaries changed to the cost method based on first-in first-out method effective from the first Quarter of the fiscal year ending March 31, 2023.

This change in the evaluation method resulted from our judgment that by taking the opportunity to change the core system, the Company can more appropriately evaluate inventories and calculate periodic profit or loss with inventory valuation by using the first-in first-out method.

However, because it is impossible in practice to calculate inventories by the first-in first-out method due to the difference in the recording method of inventory recipient and payment data for past fiscal years from the new core system and difficult to calculate the cumulative effect in case it is adopted retrospectively, the Company has adopted the cost method based on the first-in first-out method effective from the beginning of the fiscal year to the future, recognizing book value at the end of the previous consolidated fiscal year as the beginning balance of the first Quarter of the fiscal year.

As a result, inventories for the third Quarter of the fiscal year decreased by ¥ 1,544 million, and shipping and other expenses for the third Quarter of the fiscal year increased by the same amount. Consequently, operating profit, ordinary profit, and income before income taxes and non-controlling interests for the third Quarter of the fiscal year each decreased by the same amount.

(Additional Information)

(Change to Consolidated Subsidiary Company (Share Transfer))

With respect to Share Transfer of INTERNATIONAL TRANSPORTATION INC. (hereinafter referred to as "ITI"), which is our consolidated subsidiary company, reported as the Material Subsequent Events in Financial Highlights of the Second Quarter Ended September 30, 2022, we have entered into share transfer agreements with the recipients in accordance with the completion of internal approvals of recipients, which were not yet obtained. In addition, the Share Transfer schedule has been changed.

1. Overview of recipients and transfer prices

The recipients of Share Transfer are two companies (hereinafter, one of such companies shall be referred to as "Recipient 1" and the other company shall be referred to as "Recipient 2"), and we have entered into share transfer agreements with Recipient 1 and Recipient 2 respectively (hereinafter, the Share Transfer to Recipient 1 shall be referred to as "Share Transfer 1" and the Share Transfer to Recipient 2 shall be referred to as "Share Transfer 2").

For overview of Recipient 1 and the transfer price of Share Transfer 1, please see the Material Subsequent Events in Financial Highlights of the Second Quarter Ended September 30, 2022.

Overview of Recipient 2 and the transfer price of Share Transfer 2 are as follows:

(1) Overview of Recipient 2

<table>
<tr><td>Name</td><td colspan="2">Ocean Network Express Pte. Ltd. (hereinafter referred to as "ONE") or an entity designated by ONE</td></tr>
<tr><td>Location</td><td colspan="2">7 Straits View, #16-01 Marina One East Tower, Singapore 018936</td></tr>
<tr><td>Name and title of representative person</td><td colspan="2">Jeremy Nixon, CEO</td></tr>
<tr><td>Contents of business</td><td colspan="2">Container shipping business</td></tr>
<tr><td>Amount of stated capital</td><td colspan="2">US$3,000,000,000</td></tr>
<tr><td>Date of establishment</td><td colspan="2">July 7, 2017</td></tr>
<tr><td>Net assets (as of fiscal year ended March 31, 2022)</td><td colspan="2">US$15,909,000,000</td></tr>
<tr><td>Total assets (as of fiscal year ended March 31, 2022)</td><td colspan="2">US$24,613,000,000</td></tr>
<tr><td>(1) Large shareholder and shareholding ratio</td><td colspan="2">Ocean Network Express Holdings, Ltd. 100%</td></tr>
<tr><td rowspan="3">(2) Relationship between Recipient 2 and us</td><td>Capital relationship</td><td>We own 31.0% of outstanding shares in Ocean Network Express Holdings, Ltd. which owns 100% of outstanding shares in ONE.</td></tr>
<tr><td>Personal relationship</td><td>We have dispatched 42 employees to ONE as secondees.</td></tr>
<tr><td>Transactional relationship</td><td>We have entered into charter contracts on container ships with ONE, under which we have leased container ships to ONE.</td></tr>
</table>

* ONE falls under our related party.

(2) Transfer price of Share Transfer 2

Approximately US$212,500,000

2. Schedule

(1) Execution date of share transfer agreement (Share Transfer 1)	November 11, 2022
(2) Execution date of share transfer agreement (Share Transfer 2)	December 27, 2022
(3) Implementation date of Share Transfer 1	March 2023 (*scheduled date)
(4) Implementation date of Share Transfer 2 (Date of change to consolidated subsidiary company)	March 2023 (*scheduled date)

* Due to the fact that the Share Transfer will be implemented after the approvals of competent government authorities under relevant laws and regulations are obtained, if there is any change or delay in such approvals, the schedule above may change.

(4) Segment Information

Business segment information:

(￥Million)

Q3/ FY2021 (Apr. 1 - Dec. 31, 2021)	Reportable Segment							Others *1	Total	Adjust-ment *2	Consoli-dated *4
	Dry Bulk Business	Energy Business	Product Transport Business: Container ships	Product Transport Business: Car Carriers, Terminal and Logistics, Ferries and Coastal RoRo ships	Real Property Business	Associated Businesses	Sub Total				
Revenues											
1.Revenues from external customers	267,814	217,892	43,037	326,303	29,137	32,851	917,036	11,463	928,500	－	928,500
2.Inter-segment revenues	143	6,653	210	2,825	2,312	16,305	28,451	6,404	34,856	(34,856)	－
Total Revenues	267,957	224,545	43,248	329,128	31,449	49,157	945,487	17,868	963,356	(34,856)	928,500
Segment profit (loss)	31,928	18,236	414,651	15,481	8,949	(1,789)	487,458	2,495	489,953	(2,262)	487,691

(￥Million)

Q3/ FY2022 (Apr. 1 - Dec. 31, 2022)	Reportable Segment							Others *1	Total	Adjust-ment *3	Consoli-dated *4
	Dry Bulk Business	Energy Business	Product Transport Business: Container ships	Product Transport Business: Car Carriers, Terminal and Logistics, Ferries and Coastal RoRo ships	Real Property Business	Associated Businesses	Sub Total				
Revenues											
1.Revenues from external customers	344,497	297,421	40,972	487,908	29,935	42,314	1,243,050	14,918	1,257,968	－	1,257,968
2.Inter-segment revenues	764	10,798	222	2,803	2,243	19,521	36,353	10,017	46,371	(46,371)	－
Total Revenues	345,261	308,220	41,194	490,711	32,179	61,836	1,279,404	24,935	1,304,339	(46,371)	1,257,968
Segment profit (loss)	52,319	34,808	566,292	72,697	7,453	(403)	733,169	1,671	734,840	4,414	739,254

* 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 ¥ -2,262 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 ¥ 777 million of inter-segment transaction elimination.

* 3. Adjustment in Segment profit (loss) of ¥ 4,414 million include the following:
¥ -1,202 million of corporate profit which is not allocated to segments, ¥ 4,203 million of adjustment for management accounting and ¥ 1,412 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:
(i)“Terminal and Logistics Business,” which was conventionally presented in “Containerships Business,” has been included in the conventional “Car Carriers, Ferries and Coastal RoRo Ships Businesses,” in order to clearly disclose the information related to “Containerships Business,” which has a big impact on the MOL Group’s operating results.
As a result, the name of the conventional segment “Car Carriers, Ferries and Coastal RoRo Ships Businesses,” was changed to the “Car Carriers, Terminal and Logistics, Ferries and Coastal RoRo Ships Businesses.”
(ii)“Real Property Business,” which was conventionally presented in “Associated Businesses,” has been disclosed independently as a reportable segment, because the significance of “Real Property Business” increased as Daibiru Corporation became a wholly owned subsidiary of the Company.
(iii) The name of “Energy and Offshore Business” has been changed to “Energy Business.” This change has no impact on segment information.
In addition, Revenues and Segment profit (loss) during the third Quarter of the previous fiscal year are reclassified or adjusted to conform to the presentation for the fiscal year.

* 6. As stated in (Changes in Method of Evaluating Inventories), the MOL Group has mainly adopted the cost method based on the moving average method for evaluating raw materials and supplies included in inventories.
However, the Company and some of its consolidated subsidiaries changed to the cost method based on the first-in first-out method effective from the first Quarter of the fiscal year ending March 31, 2023.
Since it is impossible in practice to calculate the cumulative effect in case it is adopted retrospectively, the Company has adopted the cost method based on the first-in first-out method effective from the beginning of the fiscal year to the future, recognizing book value at the end of the previous consolidated fiscal year as the beginning balance of the first Quarter of the fiscal year.
Due to the change, compared with the previous method, Segment profit (loss) for the third Quarter under review decreased ¥ 699 million in the Dry Bulk Business, ¥ 286 million in the Energy Business, ¥ 556 million in the Car Carriers, Terminal and Logistics, Ferries and Coastal RoRo Ships Businesses, and ¥ 1 million in Others.
There is no impact on Segment profit (loss) in the Containerships Business, the Real Property Business and the Associated Businesses.

* 7. We have changed the allocation of general and administrative expenses to company-wide profit and loss to appropriately reflect expenses in each segment. This new method of allocating general and administrative expenses has been used from the first Quarter of the fiscal year ending March 31, 2023.
In comparison with the results based on the previous method, Segment profit (loss) for the third Quarter under review decreased ¥ 735 million in the Dry Bulk Business, ¥ 839 million in the Energy Business, increased ¥ 2,267 million in the Containerships Business, ¥ 765 million in the Car Carriers, Terminal and Logistics, Ferries and Coastal RoRo Ships Businesses, decreased ¥ 778 million in the Real Property Business, ¥ 951 million in the Associated Businesses, ¥ 54 million in Others, and increased ¥ 325 million in Adjustment in Segment profit (loss).

[Supplement]

1. Review of Quarterly Results

<FY2022>

	Q1 Apr-Jun, 2022	Q2 Jul-Sep, 2022	Q3 Oct-Dec, 2022	Q4 Jan-Mar, 2023
Revenues [¥ Millions]	374,783	446,554	436,631	
Operating profit (loss)	23,597	32,490	40,157	
Ordinary profit (loss)	284,191	315,604	139,459	
Income (Loss) before income taxes	288,824	331,612	138,824	
Profit (Loss) attributable to owners of parent	285,779	315,744	121,722	
Net income (loss)* per share [¥]	791.96	874.46	336.91	
Total Assets [¥ Millions]	3,134,568	3,588,441	3,522,800	
Total Net Assets	1,465,448	1,879,559	1,917,992	

*Profit (Loss) attributable to owners of parent

<FY2021>

	Q1 Apr-Jun, 2021	Q2 Jul-Sep, 2021	Q3 Oct-Dec, 2021	Q4 Jan-Mar, 2022
Revenues [¥ Millions]	288,874	308,213	331,413	340,810
Operating profit (loss)	8,042	12,350	22,020	12,593
Ordinary profit (loss)	104,268	167,575	215,848	234,088
Income (Loss) before income taxes	106,423	173,650	219,919	233,001
Profit (Loss) attributable to owners of parent	104,147	170,701	212,339	221,632
Net income (loss)* per share [¥]	290.07	474.79	589.73	614.82
Total Assets [¥ Millions]	2,217,926	2,415,856	2,556,362	2,686,701
Total Net Assets	827,605	997,357	1,185,367	1,334,866

*Profit (Loss) attributable to owners of parent

Note: The Company split its common stock on the basis of three (3) shares per share effective April 1, 2022. Accordingly, net income per share is calculated on the assumption that the split of shares was conducted at the beginning of the previous fiscal year ended March 31, 2022.

2. Depreciation and Amortization

(￥ Millions)

	Nine months ended Dec.31, 2021	Nine months ended Dec.31, 2022	Increase / Decrease	FY2021
Vessels	46,612	52,494	5,881	62,902
Others	17,556	20,312	2,756	23,496
Total	64,169	72,807	8,637	86,399

3. Interest-bearing Debt

(￥ Millions)

	As of Mar.31, 2022	As of Dec.31, 2022	Increase / Decrease	As of Dec.31, 2021
Bank loans	767,271	891,194	123,922	758,397
Bonds	213,200	199,500	(13,700)	213,200
Commercial paper	8,000	6,000	(2,000)	38,000
Others	12,226	12,459	233	19,675
Total	1,000,697	1,109,153	108,456	1,029,273

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	47	4,995	65	8,620	22	1,440	49	875	16	1,290
Chartered	274	24,965	79	4,028	21	1,374	46	759	27	3,081
Others	-	-	1	35	-	-	-	-	-	-
As of Dec.31, 2022	**321**	**29,960**	**145**	**12,683**	**43**	**2,814**	**95**	**1,634**	**43**	**4,372**
As of Mar.31, 2022	319	28,800	162	13,413	29	2,106	93	1,614	47	4,698

	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	17,324
Chartered	6	39	-	-	24	74	477	34,321
Others	-	-	-	-	1	1	2	36
As of Dec.31, 2022	**16**	**93**	**1**	**4**	**32**	**121**	**696**	**51,680**
As of Mar.31, 2022	15	85	1	4	32	121	698	50,842

*1 In addition to LNGC, VLEC, LNG bunkering ships, and FSRU, including LPG/Ammonia ships from FY2022 1st quarter, which were classified as tankers in the previous fiscal year.
*2 Coastal ships (excluding RoRo ships) and Cable-laying Ships

5. Exchange Rates

	Nine months ended Dec.31, 2021	Nine months ended Dec.31, 2022	Change			FY2021
Average rates	¥110.51	¥135.48	¥24.97	[22.6%]	JPY Depreciated	¥111.52
Term-end rates	¥115.02	¥132.70	¥17.68	[15.4%]	JPY Depreciated	¥122.39

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.

<Overseas subsidiaries>

	As of Sep.30, 2021	As of Sep.30, 2022	Change			As of Dec.31, 2021
Term-end rates	¥111.92	¥144.81	¥32.89	[29.4%]	JPY Depreciated	¥115.02

6. Average Bunker Prices

	Nine months ended Dec.31, 2021	Nine months ended Dec.31, 2022	Increase / Decrease
Purchase Prices	US$539/MT	US$787/MT	US$248/MT

7. Market Information

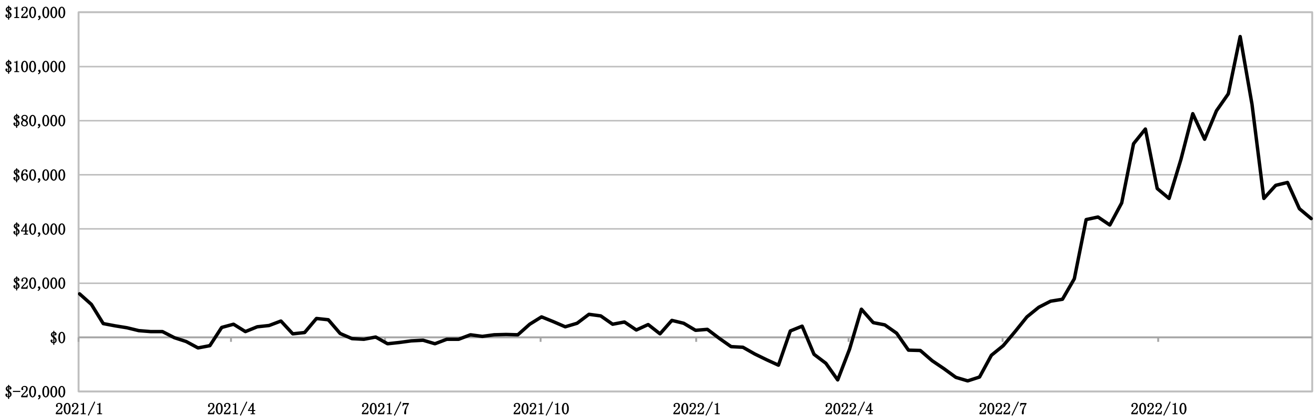
(1) Dry Bulker Market (Baltic Dry Index) (Index: January 1985 = 1,000)

Source : Clarkson Research

Monthly Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
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
2022	1,761	1,835	2,464	2,220	2,943	2,389	2,077	1,412	1,487	1,814	1,299	1,453	1,930

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

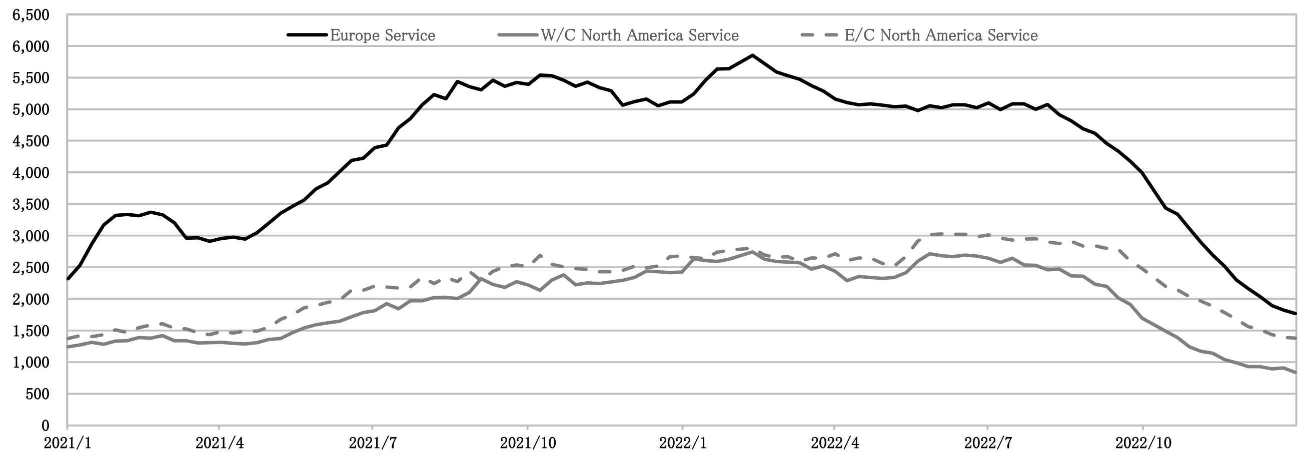
Source : Clarkson Research



Monthly Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2021	8,221	1,639	-1,229	4,243	4,131	92	-1,800	-26	1,952	6,201	5,259	4,024	2,726
2022	-1,128	-5,587	-6,886	3,493	-7,435	-13,042	6,196	30,887	58,844	68,153	92,660	51,181	23,111

(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.