## MitsuiO.S.K. Lines,Ltd.

Financial Highlights: Fiscal Year 2022 Ended March 31, 2023

1. Consolidated Financial Highlights ( from April 1, 2022 to March 31, 2023 )
(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

## (1) Operating Results

|  | (¥Million) |  |
| :--- | ---: | ---: |
|  | FY2022 | FY2021 |
| Revenues | $1,611,984$ | $1,269,310$ |
| Operating profit | 108,709 | 55,005 |
| Ordinary profit | 811,589 | 721,779 |
| Profit attributable to owners of parent | 796,060 | 708,819 |
|  |  |  |
| Net income per share | $2,204.04$ | $(\neq)$ |
| Diluted net income per share | $2,196.51$ | $1,970.16$ |
| Return to shareholders' equity | $49.8 \%$ | $1,960.97$ |
| Rate of ordinary income on assets | $26.0 \%$ | $76.5 \%$ |
| Operating profit ratio | $6.7 \%$ | $30.2 \%$ |

* 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 are 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) |  |  |  |
| :--- | ---: | ---: | :---: | :---: |
|  | FY2022 | FY2021 |  |  |
| Total assets | $3,564,247$ | $2,686,701$ |  |  |
| Total net assets | $1,937,621$ | $1,334,866$ |  |  |
| Shareholders' equity / Total assets | $54.0 \%$ | $47.4 \%$ |  |  |
|  |  |  |  | $(\neq)$ |
| Net assets per share | $5,322.35$ | $3,532.32$ |  |  |

* Shareholders' Equity is defined as follows.

Shareholders' Equity $=$ Total Net Assets $-($ Share option + Non-controlling interests )

* The Company split its common share on the basis of one (1) unit into three (3) shares effective April 1, 2022.

Accordingly, Shareholders' equity 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. Dividends

|  | Dividend per share (¥) |  |  |  |  | Total <br> dividends <br> paid |  | Dividend <br> pay-out <br> ratio |
| :--- | :---: | ---: | :---: | ---: | ---: | ---: | ---: | :---: |
|  | Q1 | Q2 | Q3 | Year - <br> end | Total | Didend ratio <br> shareholders' <br> to <br> equity |  |  |
| FY2021 | - | 300.00 | - | 900.00 | $1,200.00$ | 144,240 | $20.3 \%$ | $15.6 \%$ |
| FY2022 | - | 300.00 | - | 260.00 | 560.00 | 202,444 | $25.4 \%$ | $10.5 \%$ |
| FY2023 (Outlook) | - | 100.00 | - | 80.00 | 180.00 |  | $31.0 \%$ |  |

[^0]
## 3. Forecast for the Fiscal Year Ending March 31, 2024

|  | (¥Million) |
| :---: | :---: |
|  | FY2023 |
| Revenues | 1,490,000 |
| Operating profit | 105,000 |
| Ordinary profit | 200,000 |
| Profit attributable to owners of parent | 210,000 |
|  | ( $~$ ) |
| Net income per share | 581.38 |

## (Reference)

Non-Consolidated Financial Highlights ( from April 1, 2022 to March 31, 2023 )
(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

## (1) Operational Results

|  | (¥Million) |  |
| :--- | ---: | ---: |
|  | FY2022 | FY2021 |
| Revenues | 821,375 | 765,214 |
| Operating profit | 61,705 | 33,376 |
| Ordinary profit | 469,984 | 260,240 |
| Net income | 462,022 | 270,004 |
|  |  | $(\neq)$ |
| Net income per share | $1,279.16$ | 750.46 |
| Diluted net income per share | $1,274.79$ | 746.96 |

* 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 are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal (FY2021) year ended March 31, 2022.
(2) Financial Position

|  | (¥Million) |  |
| :---: | :---: | :---: |
|  | FY2022 | FY2021 |
| Total assets | 1,595,956 | 1,231,491 |
| Total net assets | 655,609 | 419,739 |
| Shareholders' equity / Total assets | 41.0\% | 34.0\% |
|  |  | ( $¥$ ) |
| Net assets per share | 1,810.77 | 1,161.06 |

* The Company split its common share on the basis of one (1) share into three (3) shares effective April 1, 2022. Accordingly, shareholders' equity per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal (FY2021) year ended March 31, 2022.
(3) Forecast for the Fiscal Year Ending March 31, 2024

|  | (¥Million) |
| :--- | ---: |
|  | FY2023 |
| Revenues | 730,000 |
| Operating profit | 50,000 |
| Ordinary profit | 150,000 |
| Net income | 160,000 |

(Reason of change in non-consolidated financial results compared to the results in the previous fiscal year)
The change in non-consolidated financial results were mainly due to good performance of Tankers business and Car Carriers business and significant increase in dividends received from OCEAN NETWORK EXPRESS PTE. LTD., which is an affiliate accounted for using equity method operating Containerships business in the fiscal year ended March 31, 2023.

## 4. Business Performance

(1) Analysis of Operating Results
( $¥$ Billion)

|  | FY2021 <br> From April 1, 2021 to March 31, 2022 | FY2022 <br> From April 1, 2022 to March 31, 2023 | Year-on-year comparison / Variance |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Revenue | 1,269.3 | 1,611.9 | 342.6 |  | 27.0\% |
| Operating profit | 55.0 | 108.7 | 53.7 | 1 | 97.6\% |
| Ordinary profit | 721.7 | 811.5 | 89.8 | / | 12.4\% |
| Profit attributable to owners of parent | 708.8 | 796.0 | 87.2 |  | 12.3\% |
| Exchange rate | $¥ 111.52 / \mathrm{US} \$$ | $¥ 134.67 / \mathrm{US} \$$ | ¥23.15/US\$ |  |  |
| Bunker price* | US\$585/MT | US\$745/MT | US\$160/MT |  |  |

*Average price for all the major fuel grades

We recorded revenue of $¥ 1,611.9$ billion, an operating profit of $¥ 108.7$ billion, an ordinary profit of $¥ 811.5$ billion and profit attributable to owners of parent of $¥ 796.0$ billion.

We recorded $¥ 668.4$ 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 $¥ 620.8$ 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)

|  | FY2021 <br> From April 1, 2021 to March 31, 2022 | FY2022 <br> From April 1, 2022 to March 31, 2023 | Year-on-year comparison / Variance |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Dry Bulk Business | 360.7 | 429.6 | 68.8 | / | 19.1\% |
|  | 43.2 | 57.6 | 14.3 | / | 33.3\% |
| Energy Business | 294.0 | 388.7 | 94.7 | 1 | 32.2\% |
|  | 19.8 | 39.5 | 19.7 | 1 | 99.6\% |
| Product Transport Business | 515.3 | 677.3 | 161.9 | 1 | 31.4\% |
|  | 662.9 | 705.4 | 42.4 | / | 6.4\% |
| Containerships | 56.6 | 53.0 | (3.6) |  | (6.4\%) |
|  | 634.0 | 620.1 | (13.8) |  | (2.2\%) |
| Real Property Business | 38.9 | 39.5 | 0.6 | / | 1.7\% |
|  | 9.7 | 8.1 | (1.6) |  | (17.0\%) |
| Associated Businesses | 44.5 | 57.1 | 12.5 |  | 28.2\% |
|  | (2.3) | (0.5) | 1.7 | 1 | - \% |
| Others | 15.7 | 19.6 | 3.9 | 1 | 24.8\% |
|  | 2.7 | 1.7 | (0.9) | 1 | (34.7\%) |

[^1]
## (A) Dry Bulk Business

During the first half, the Capesize bulker market rates peaked in mid-May on the back of firm coal demand in India, but then dropped sharply through the summer on an uncertain global economic outlook and also reflecting a less tight vessel supplydemand balance due to improved vessel capacity utilization owing to the relaxation and/or removal of COVID-19 restrictions. In the second half, market rates continued to lack buoyancy despite appearing to rally temporarily. Meanwhile, market rates for Panamax, Handymax and smaller vessels started the first half at a high level, buoyed by firm transport demand for coal and grain; however, there was a gradual downturn from July due to global economic slowdown and decreased China-bound cargo movements. Rates then maintained a generally weak tone throughout the second half, reflecting a decrease in movements of China-bound coal, South American grains, steel raw materials and other cargoes.

Despite these market conditions, the dry bulk business as a whole posted year-on-year improvement in profit due to the partial reversal of an allowance for doubtful accounts recorded in the past at the Company's consolidated subsidiary 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 fulfillment of long-term contracts and the contribution of open-hatch bulkers and multipurpose vessels.

## (B) Energy Business

<Tankers>
In the very large crude oil carrier (VLCC) market, rates remained firm from the summer due to factors such as an increase in ton-miles associated with shifts in trading patterns amid the Russia-Ukraine conflict and releases from the U.S. strategic petroleum reserve. Product tankers saw firm cargo movements throughout the year, with the support of an increase in tonmiles as seen in the VLCC market, driven by the procurement of alternatives to petroleum products from Russia.

Thanks to favorable market conditions and efforts to stably fulfill existing long-term contracts and reduce costs, the tanker business as a whole posted a significant year-on-year increase in profits.

## <Offshore>

The FPSO business continued to accumulate stable profit through the delivery of two new FPSOs and existing long-term charter contracts.

## <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 improvement in profitability reflecting the entry into operation of an existing vessel under a short-term contract.

## (C) Product Transport Business

## <Containerships>

ONE, the Company's equity-method affiliate, during the first half, the company continued to see robust transport demand, especially on Asia-North America and Asia-Europe routes; however, in the second half, spot freight rates rapidly dropped due to the recovery of vessel supply and sharp decline of transportation demand, along with the accumulated buildup of product inventories in the U.S. which became noticeable from the summer along with the decline in consumption in Europe due to rising inflation. However, the containerships business maintained profit ultimately on par with the previous year, partially due to the buildup of profit in the first six months.

## $<$ Car Carriers>

Amid fluctuation in cargo movements of completed cars due to global semiconductor shortages and the impacts of the COVID19 pandemic, we secured transportation volume mostly unchanged year on year by flexibly reviewing vessel allocation plans. As a result of efforts to improve transport efficiency, the car carriers business achieved year-on-year profit growth.

## <Terminal and Logistics>

Container volumes in the terminal business held firm although cargo movements returned to normal after the easing of congestion at terminals in the U.S. from the summer. Meanwhile, the logistics business was affected by weaker air and sea freight rates. However, thanks to the contribution of profit accumulated in the first half, 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 sharp rebound in the number of passengers year on year, reflecting the easing of COVID-19 restrictions. The cargo transportation business was also generally stable despite the delayed recovery of automotive component-related business. As a result, the ferries and coastal RoRo ships business overall improved its profitability year-onyear.

## (D) Real Property Business

The real property business maintained stable profit on the whole, despite a slight drop in profit associated with the reconstruction of some office buildings held by DAIBIRU CORPORATION, the core company in the Group's real property business.

## (E) Associated Businesses

The cruise business achieved improved profitability year on year due to an increase in operations on the back of a recovery in demand following the easing of COVID-19 restrictions. 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 FY2023
( $¥$ Billion)

|  | FY 2022 <br> (From April 1, 2022 to <br> March 31, 2023) | FY 2023 <br> (From April 1, 2023 to <br> March 31, 2024) | Year-on-year <br> Comparison / Variance |  |
| :--- | ---: | ---: | ---: | ---: |
| Revenue | $1,611.9$ | $1,490.0$ | $(121.9) /$ | $(7.6 \%)$ |
| Operating profit | 108.7 | 105.0 | $(3.7) /$ | $(3.4 \%)$ |
| Ordinary profit | 811.5 | 200.0 | $(611.5) / \quad(75.4 \%)$ |  |
| Profit attributable to <br> owners of parent | 796.0 | 210.0 | $(586.0) / \quad(73.6 \%)$ |  |


|  | (Results for full year) | (Assumptions for full year) |  |
| :---: | :---: | :---: | :---: |
| Exchange rate | $¥ 134.67 / \mathrm{US} \$$ | $¥ 125.59 / \mathrm{US} \mathrm{\$}$ | ¥(9.08)/US\$ |
| All major fuel grade price* ${ }^{1}$ | US\$745/MT | - | - |
| Bunker price *2 | - | US\$520/MT | - |
| Compliant fuel price *3 | - | US\$640/MT |  |
| *1 All major fuel grades average price <br> *2 HSFO (High Sulphur Fuel Oil) average price <br> *3 VLSFO (Very Low Sulphur Fuel Oil) average price |  |  |  |

From fiscal year 2023, ending March 31, 2024, along with the newly announced MOL Group Corporate Management Plan "BLUE ACTION 2035," the Wellbeing Lifestyle Business (which includes the Ferries and Coastal RoRo Ships Business from the Product Transport Business, the Cruise Business from the Associated Businesses, and the Real Property Business), will be newly established and listed independently as a reporting segment.

## (A) Dry Bulk Business

Dry bulker market rates are likely to remain generally firm on expectations of growth in cargo movements driven by global economic recovery and limited new vessel supply; however, if risks such as delayed economic recovery materialize, rates could continue to lack buoyancy. Nonetheless, future fluctuations in market rates will have a limited impact on the profitability of Panamax and smaller vessels because we have balanced the vessel capacity and cargo volume. The profitability of Capesize bulkers will, however, be impacted by the expiration of some dedicated vessel contracts among other factors, and the drybulk business overall is expected to report a decline in profit.

## (B) Energy Business

On the very large crude oil carrier (VLCC) market, cargo movements and market rates are projected to remain firm on expectations for a rebound in demand driven by a resumption of economic activity in China and a continued increase in ton-miles due to the export restrictions imposed by the U.S. and European countries against Russia. Product tanker market rates are also expected to remain robust based on the assumption of continued ton-mile-growth driven by the ban on the import of Russian petroleum products led by Europe and the U.S., prompting the procurement of alternatives.

The offshore business will secure stable profit under existing long-term charters, and new FPSO charters are set to start in FY2023.

In the liquefied gas business, the LNG carrier business will continue to maintain stable profit through the fulfillment of existing long-term contracts. The FSRU business is expected to post lower profit, reflecting a changeover period between the expiration of a short-term contract for an existing vessel and its entry into operation for a new project.

With above assumptions, energy business overall is expected to report an increase in profit.

## (C) Product Transport Business

In the containerships business, we forecast that freight rates, which are now much weaker than the historically high levels seen previously, will start to pick up from the middle of the year alongside the recovery trend in cargo movements.
In the car carrier business, as economic activity returns to normal, cargo movements of completed cars are also expected to recover gradually and transportation volume is projected to exceed the FY2022 level.

In the terminal and logistics business, the terminal business will likely generate less ancillary revenue from the pile-up of containers alongside the easing of supply chain disruptions while the logistics business is expected to see a slowdown in air and sea freight demand due to inventory adjustments.

## (D) Wellbeing Lifestyle Business

The real property business is expected to report a decline in rental income as a result of the ongoing reconstruction of buildings owned. Higher utility expenses due to rising energy prices and other costs are also expected to impact profitability.
In the business of ferries and coastal RoRo ships, the recovery in the passenger transportation business and firm cargo movements in the cargo transportation business are expected to continue. The entry of two newly built LNG-fueled ferries will contribute to the realization of a low-carbon/decarbonized society.
In the cruise business, Mitsui O.S.K. Passenger Line Ltd. is seeing a recovery in passengers and forecasting an increased revenue. However, expenses to prepare new vessels for service are expected to be incurred.

## (E) Associated Businesses

The tugboat business is projected to report increased profit due to the effect of revision of tugboat service fees.

## 5. Financial Position

Total assets as of March 31, 2023 increased by $¥ 877.5$ billion compared to the balance as of the end of the previous fiscal year, to $¥ 3,564.2$ billion. This was primarily due to the increase in investment securities.

Total liabilities as of March 31, 2023 increased by $¥ 274.7$ billion compared to the balance as of the end of the previous fiscal year, to $¥ 1,626.6$ billion. This was primarily due to the increase in short-term bank loans.

Total net assets as of March 31,2023 increased by $¥ 602.7$ billion compared to the balance as of the end of the previous fiscal year, to $¥ 1,937.6$ 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 54.0\%.

## 6. Cash Flow

Cash and cash equivalents (hereinafter called "cash") as of the end of FY2022 was $¥ 91.0$ billion, a decrease of $¥ 6.0$ billion compared to the balance as of the end of the previous fiscal year. Cash flows on each activity are as follows.

Net cash provided by operating activities during FY2022 was $¥ 549.9$ billion (while net cash provided by FY2021 was $¥ 307.6$ billion), mainly due to Dividends received from affiliates accounted for using equity method.

Net cash used in investing activities during FY2022 was $¥ 281.9$ billion (while net cash used in FY2021 was $¥ 107.4$ billion), mainly due to Purchase of vessels and other non-current assets.

Net cash used in financing activities during FY2022 was $¥ 281.7$ billion (while net cash used in FY2021 was $¥ 191.7$ billion), mainly due to Cash dividends paid by the company.

## 7. Basic Policy on Profit Sharing and Dividends

Our key management policies are to enhance corporate value with proactive capital investment and to directly return profits to shareholders through dividends. By utilizing our internal capital reserves, we work to reinforce corporate strength and strive to further raise our per-share corporate value. For this reason, we have set our policy to pay dividends linked with business performance with a $25 \%$ dividend payout ratio as a guideline and addressing the need to increase the ratio as a medium- and long-term management issue.

In FY2023, we plan to pay dividends linked with business performance with a $30 \%$ dividend payout ratio in accordance with the improvement of our corporate value and financial conditions. We also set a minimum dividend of $¥ 150$ per share

As for the fiscal year under review, we will distribute dividends of surplus (a year-end dividend) at $¥ 260$ per share. The annual dividend will be $¥ 560$ per share including the interim dividend of $¥ 300$ per share. As for dividends of surplus for the next fiscal year, we plan to pay an annual dividend of $¥ 180$ per share, comprising an interim dividend of $¥ 100$ per share and a year-end dividend of $¥ 80$ per share on the assumption that we secure the income described in our outlook for the next fiscal year.

## 8. Basic Policy Regarding Selection of Accounting Standards

The MOL Group currently prepares consolidated financial statements based on Japanese Generally Accepted Accounting Principles (J-GAAP), but to improve the quality of management through unification of accounting standards within the Group and to enhance the international comparability of its financial information in the capital markets, we are considering voluntary application of International Financial Reporting Standards (IFRS).

## 9. Consolidated Financial Statements

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

## (1) Consolidated Balance Sheets

|  | As of March 31, 2022 | As of March 31, 2023 |
| :---: | :---: | :---: |
| Assets |  |  |
| Current assets |  |  |
| Cash and deposits | 99,878 | 93,961 |
| Trade receivables | 109,891 | 124,134 |
| Contract assets | 15,601 | 8,329 |
| Marketable securities | 1,000 | 500 |
| Inventories | 46,085 | 50,787 |
| Deferred and prepaid expenses | 21,545 | 26,820 |
| Other current assets | 58,748 | 135,669 |
| Allowance for doubtful accounts | $(1,298)$ | $(1,662)$ |
| Total current assets | 351,452 | 438,541 |
| Fixed assets |  |  |
| Tangible fixed assets |  |  |
| Vessels | 632,105 | 708,682 |
| Buildings and structures | 127,954 | 132,943 |
| Equipment and others | 25,290 | 25,227 |
| Furniture and fixtures | 5,529 | 5,585 |
| Land | 254,594 | 299,710 |
| Construction in progress | 59,988 | 162,234 |
| Other tangible fixed assets | 5,688 | 7,856 |
| Total tangible fixed assets | 1,111,152 | 1,342,240 |
| Intangible fixed assets | 36,624 | 36,739 |
| Investments and other assets |  |  |
| Investment securities | 978,848 | 1,430,873 |
| Long-term loans receivable | 110,104 | 116,893 |
| Long-term prepaid expenses | 8,562 | 8,550 |
| Net defined benefit assets | 18,957 | 20,987 |
| Deferred tax assets | 1,217 | 2,058 |
| Other investments and other assets | 93,343 | 191,173 |
| Allowance for doubtful accounts | $(23,562)$ | $(23,811)$ |
| Total investments and other assets | 1,187,472 | 1,746,726 |
| Total fixed assets | 2,335,249 | 3,125,705 |
| Total assets | 2,686,701 | 3,564,247 |


| Liabilities |  |  |
| :---: | :---: | :---: |
| Current liabilities |  |  |
| Trade payables | 96,034 | 99,872 |
| Short-term bonds | 23,700 | 30,000 |
| Short-term bank loans | 192,170 | 339,354 |
| Commercial papers | 8,000 | 80,000 |
| Accrued income taxes | 8,624 | 6,979 |
| Advances received | 2,188 | 2,493 |
| Contract liabilities | 23,125 | 31,006 |
| Provision for bonuses | 9,433 | 11,660 |
| Other current liabilities | 50,726 | 67,808 |
| Total current liabilities | 414,002 | 669,176 |
| Fixed liabilities |  |  |
| Bonds | 189,500 | 159,500 |
| Long-term bank loans | 575,101 | 524,801 |
| Lease liabilities | 10,803 | 17,509 |
| Deferred tax liabilities | 74,516 | 84,870 |
| Net defined benefit liabilities | 9,355 | 9,188 |
| Provision for directors' and corporate auditors' retirement benefits | 1,485 | 750 |
| Provision for periodic drydocking | 15,836 | 19,078 |
| Other fixed liabilities | 61,233 | 141,751 |
| Total fixed liabilities | 937,832 | 957,449 |
| Total liabilities | 1,351,835 | 1,626,626 |
| Net assets |  |  |
| Owners' equity |  |  |
| Common stock | 65,400 | 65,589 |
| Capital surplus | 23,090 | - |
| Retained earnings | 1,091,250 | 1,571,582 |
| Treasury stock | $(2,267)$ | (558) |
| Total owners' equity | 1,177,474 | 1,636,614 |
| Accumulated other comprehensive income |  |  |
| Unrealized holding gains on available-for-sale securities, net of tax | 34,010 | 32,472 |
| Unrealized gains on hedging derivatives, net of tax | 27,161 | 77,590 |
| Foreign currency translation adjustments | 29,232 | 171,647 |
| Remeasurements of defined benefit plans, net of tax | 6,691 | 7,021 |
| Total accumulated other comprehensive income | 97,095 | 288,732 |
| Share option | 781 | 550 |
| Non-controlling interests | 59,514 | 11,724 |
| Total net assets | 1,334,866 | 1,937,621 |
| Total liabilities and net assets | 2,686,701 | 3,564,247 |

(2) Consolidated Statements of Income

FY2021
FY2022
(Apr. 1, 2021 - Mar. 31, 2022) (Apr. 1, 2022 - Mar. 31, 2023)

| Shipping and other revenues | 1,269,310 | 1,611,984 |
| :---: | :---: | :---: |
| Shipping and other expenses | 1,117,405 | 1,376,504 |
| Gross operating income | 151,905 | 235,479 |
| Selling, general and administrative expenses | 96,899 | 126,770 |
| Operating profit | 55,005 | 108,709 |
| Non-operating income |  |  |
| Interest income | 6,940 | 14,473 |
| Dividend income | 8,239 | 7,824 |
| Equity in earnings of affiliated companies | 657,375 | 668,435 |
| Foreign exchange gains | 7,080 | 23,700 |
| Others | 3,581 | 11,990 |
| Total non-operating income | 683,217 | 726,423 |
| Non-operating expenses |  |  |
| Interest expenses | 11,392 | 17,268 |
| Others | 5,051 | 6,275 |
| Total non-operating expenses | 16,443 | 23,543 |
| Ordinary profit | 721,779 | 811,589 |
| Extraordinary income |  |  |
| Gain on sales of fixed assets | 13,414 | 9,884 |
| Others | 10,377 | 16,130 |
| Total extraordinary income | 23,791 | 26,014 |
| Extraordinary losses |  |  |
| Loss on sale of fixed assets | 649 | 225 |
| Impairment losses | 125 | 4,008 |
| Others | 11,802 | 14,209 |
| Total extraordinary losses | 12,577 | 18,444 |
| Income before income taxes and non-controlling interests | 732,993 | 819,160 |
| Income taxes - current | 12,846 | 14,729 |
| Income taxes - deferred | 5,993 | 6,187 |
| Total income taxes | 18,839 | 20,917 |
| Net income | 714,154 | 798,242 |
| Profit attributable to non-controlling interests | 5,335 | 2,182 |
| Profit attributable to owners of parent | 708,819 | 796,060 |

## (3) Consolidated Statements of Comprehensive Income

FY2021
(Apr. 1, 2021 - Mar. 31, 2022)

|  | FY2021 <br> (Apr. 1, 2021 - Mar. 31, 2022) | FY2022 <br> (Apr. 1, 2022 - Mar. 31, 2023) |
| :---: | :---: | :---: |
| Net income | 714,154 | 798,242 |
| Other comprehensive income |  |  |
| Unrealized holding gains on available-for-sale securities, net of tax | 4,626 | $(1,548)$ |
| Unrealized gains on hedging derivatives, net of tax | 9,102 | 7,487 |
| Foreign currency translation adjustments | 16,924 | 36,025 |
| Remeasurements of defined benefit plans, net of tax | (845) | 329 |
| Share of other comprehensive income of associates accounted for using equity method | 32,989 | 151,908 |
| Total other comprehensive income | 62,797 | 194,202 |
| Comprehensive income | 776,951 | 992,444 |
| (Breakdown) |  |  |
| Comprehensive income attributable to owners of parent | 767,958 | 987,697 |
| Comprehensive income attributable to noncontrolling interests | 8,993 | 4,747 |

## (4) Consolidated Statement of Changes in Net assets

FY2021 (April 1, 2021 - March 31, 2022)

|  | Shareholders' equity |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Common stock | Capital surplus | Retained earnings | Treasury stock | Total owners' equity |
| Balance at Mar, 2021 | 65,400 | 45,351 | 435,589 | $(6,515)$ | 539,825 |
| Cumulative effects of changes in accounting policies |  |  | 349 |  | 349 |
| Restated balance | 65,400 | 45,351 | 435,939 | $(6,515)$ | 540,175 |
| Changes during period |  |  |  |  |  |
| Exercise of share acquisition rights |  |  |  | 657 | 657 |
| Dividends of surplus |  |  | $(52,137)$ |  | $(52,137)$ |
| Profit attributable to owners of parent |  |  | 708,819 |  | 708,819 |
| Change of scope of consolidation |  |  | (3) |  | (3) |
| Purchase of treasury shares |  |  |  | (97) | (97) |
| Disposal of treasury shares |  |  | $(1,366)$ | 3,687 | 2,321 |
| Purchase of shares of consolidated subsidiaries |  | $(22,260)$ |  |  | $(22,260)$ |
| Net changes of items other than shareholders' equity |  |  |  |  | - |
| Total changes of items during period | - | $(22,260)$ | 655,311 | 4,247 | 637,298 |
| Balance at Mar, 2022 | 65,400 | 23,090 | 1,091,250 | $(2,267)$ | 1,177,474 |


|  | Accumulated other comprehensive income |  |  |  |  | Share option | Noncontrolling interests | Total net assets |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Unrealized holding gains on available-for-sale securities, net of tax | Unrealized gains on hedging derivatives, net of tax | Foreign currency translation adjustments | Remeasure ments of defined benefit plans, net of tax | Total accumulated other comprehensive income |  |  |  |
| Balance at Mar, 2021 | 29,917 | 5,150 | $(4,653)$ | 7,541 | 37,956 | 1,347 | 120,020 | 699,150 |
| Cumulative effects of changes in accounting policies |  |  |  |  |  |  |  | 349 |
| Restated balance | 29,917 | 5,150 | $(4,653)$ | 7,541 | 37,956 | 1,347 | 120,020 | 699,500 |
| Changes during period |  |  |  |  |  |  |  |  |
| Exercise of share acquisition rights |  |  |  |  |  | (657) |  | - |
| Dividends of surplus |  |  |  |  |  |  |  | $(52,137)$ |
| Profit attributable to owners of parent |  |  |  |  |  |  |  | 708,819 |
| Change of scope of consolidation |  |  |  |  |  |  |  | (3) |
| Purchase of treasury shares |  |  |  |  |  |  |  | (97) |
| Disposal of treasury shares |  |  |  |  |  |  |  | 2,321 |
| Purchase of shares of consolidated subsidiaries |  |  |  |  |  |  |  | $(22,260)$ |
| Net changes of items other than shareholders' equity | 4,092 | 22,011 | 33,885 | (850) | 59,139 | 91 | $(60,505)$ | $(1,274)$ |
| Total changes of items during period | 4,092 | 22,011 | 33,885 | (850) | 59,139 | (566) | $(60,505)$ | 635,366 |
| Balance at Mar, 2022 | 34,010 | 27,161 | 29,232 | 6,691 | 97,095 | 781 | 59,514 | 1,334,866 |

FY2022 (April 1, 2022 - March 31, 2023)

|  | Shareholders' equity |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |
|  | Common stock | Capital surplus | Retained earnings | Treasury stock | Total owners' equity |
| Balance at Mar, 2022 | 65,400 | 23,090 | 1,091,250 | $(2,267)$ | 1,177,474 |
| Changes during period |  |  |  |  |  |
| Issuance of new shares | 189 | 189 |  |  | 378 |
| Exercise of share acquisition rights |  |  |  | 225 | 225 |
| Dividends of surplus |  |  | $(216,639)$ |  | $(216,639)$ |
| Profit attributable to owners of parent |  |  | 796,060 |  | 796,060 |
| Net changes in retained earnings from changes in scope of consolidation or equity method |  |  | (341) |  | (341) |
| Purchase of treasury shares |  |  |  | (56) | (56) |
| Disposal of treasury shares |  |  | (686) | 1,540 | 853 |
| Purchase of shares of consolidated subsidiaries |  | $(121,340)$ |  |  | $(121,340)$ |
| Transfer from retained earnings to capital surplus |  | 98,060 | $(98,060)$ |  | - |
| Net changes in items other than shareholders' equity |  |  |  |  | - |
| Total changes of items during period | 189 | $(23,090)$ | 480,331 | 1,709 | 459,140 |
| Balance at Mar, 2023 | 65,589 | - | 1,571,582 | (558) | 1,636,614 |


|  | Accumulated other comprehensive income |  |  |  |  | Share option | Noncontrolling interests | Total net assets |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Unrealized holding gains on available-for-sale securities, net of tax | Unrealized gains on hedging derivatives, net of tax | Foreign currency translation adjustments | Remeasure ments of defined benefit plans, net of tax | Total accumulated other comprehensive income |  |  |  |
| Balance at Mar, 2022 | 34,010 | 27,161 | 29,232 | 6,691 | 97,095 | 781 | 59,514 | 1,334,866 |
| Changes during period |  |  |  |  |  |  |  |  |
| Issuance of new shares |  |  |  |  |  |  |  | 378 |
| Exercise of share acquisition rights |  |  |  |  |  | (225) |  | - |
| Dividends of surplus |  |  |  |  |  |  |  | $(216,639)$ |
| Profit attributable to owners of parent |  |  |  |  |  |  |  | 796,060 |
| Net changes in retained earnings from changes in scope of consolidation or equity method |  |  |  |  |  |  |  | (341) |
| Purchase of treasury shares |  |  |  |  |  |  |  | (56) |
| Disposal of treasury shares |  |  |  |  |  |  |  | 853 |
| Purchase of shares of consolidated subsidiaries |  |  |  |  |  |  |  | $(121,340)$ |
| Transfer from retained earnings to capital surplus |  |  |  |  |  |  |  | - |
| Net changes in items other than shareholders' equity | $(1,537)$ | 50,429 | 142,415 | 329 | 191,636 | (5) | $(47,790)$ | 143,839 |
| Total changes of items during period | $(1,537)$ | 50,429 | 142,415 | 329 | 191,636 | (231) | $(47,790)$ | 602,754 |
| Balance at Mar, 2023 | 32,472 | 77,590 | 171,647 | 7,021 | 288,732 | 550 | 11,724 | 1,937,621 |

## (5) Consolidated Statements of Cash flows

FY2021
(Apr. 1, 2021 - Mar. 31, 2022) (Apr. 1, 2022 - Mar. 31, 2023)

| Cash flows from operating activities |  |  |
| :---: | :---: | :---: |
| Income before income taxes and non-controlling interests | 732,993 | 819,160 |
| Depreciation and amortization | 86,399 | 94,660 |
| Impairment losses | 125 | 4,008 |
| Equity in losses (earnings) of affiliated companies | $(657,375)$ | $(668,435)$ |
| Various provisions (reversals) | $(9,792)$ | $(5,729)$ |
| Interest and dividend income | $(15,180)$ | $(22,297)$ |
| Interest expense | 11,392 | 17,268 |
| Loss (gain) on sale and retirement of non-current assets | $(12,412)$ | $(9,008)$ |
| Foreign exchange loss (gain), net | $(8,369)$ | $(16,720)$ |
| Decrease (Increase) in trade receivables | $(20,353)$ | $(7,774)$ |
| Decrease (Increase) in contract assets | $(15,601)$ | 7,612 |
| Decrease (Increase) in inventories | $(16,095)$ | $(3,896)$ |
| Increase (Decrease) in trade payables | 21,033 | 318 |
| Others, net | $(13,266)$ | $(15,311)$ |
| Sub total | 83,495 | 193,855 |
| Interest and dividend income received | 242,193 | 393,108 |
| Interest expenses paid | $(11,560)$ | $(17,608)$ |
| Income taxes paid | $(6,490)$ | $(19,430)$ |
| Net cash provided by (used in) operating activities | 307,637 | 549,925 |
| Cash flows from investing activities |  |  |
| Purchase of investment securities | $(75,939)$ | $(28,568)$ |
| Proceeds from sale and redemption of investment securities | 23,213 | 19,961 |
| Purchase of non-current assets | $(112,337)$ | $(266,531)$ |
| Proceeds from sale of non-current assets | 52,089 | 36,050 |
| Disbursements for long-term loans receivables | $(19,350)$ | $(27,433)$ |
| Collection of long-term loans receivables | 22,295 | 8,526 |
| Others, net | 2,578 | $(24,001)$ |
| Net cash provided by (used in) investing activities | $(107,450)$ | $(281,995)$ |

FY2021
(Apr. 1, 2021 - Mar. 31, 2022) (Apr. 1, 2022 - Mar. 31, 2023)

| Cash flows from financing activities |  |  |
| :---: | :---: | :---: |
| Net increase (decrease) in short-term bank loans | 45,265 | 129,297 |
| Net increase (decrease) in commercial paper | $(32,000)$ | 72,000 |
| Proceeds from long-term bank loans | 165,205 | 76,397 |
| Repayments of long-term bank loans | $(254,696)$ | $(151,985)$ |
| Proceeds from issuance of bonds | 50,000 | - |
| Redemption of bonds | $(17,800)$ | $(23,700)$ |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | $(84,725)$ | $(166,094)$ |
| Cash dividends paid by the company | $(51,996)$ | $(216,094)$ |
| Cash dividends paid to non-controlling interests | $(3,613)$ | $(2,465)$ |
| Others, net | $(7,422)$ | 936 |
| Net cash provided by (used in) financing activities | $(191,784)$ | $(281,709)$ |
| Effect of foreign exchange rate changes on cash and cash equivalents | 5,295 | 7,655 |
| Net increase (decrease) in cash and cash equivalents | 13,698 | $(6,124)$ |
| Cash and cash equivalents at beginning of year | 83,436 | 97,135 |
| Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation | - | 37 |
| Cash and cash equivalents at end of period | 97,135 | 91,047 |

## [NOTE]

## (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 fiscal year ended 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 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 fiscal year ended 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 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 consolidated statements of income in the fiscal year ended 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 fiscal year ended 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 fiscal year.

As a result, inventories for the fiscal year decreased by $¥ 1,439$ million, and shipping and other expenses for the fiscal year increased by the same amount. Consequently, operating profit, ordinary profit, and income before income taxes and non-controlling interests for the fiscal year each decreased by the same amount. In the consolidated statements of cash flows for the fiscal year, income before income taxes and non-controlling interests decreased by $¥ 1,439$ million and decrease (increase) in inventories raised by $¥ 1,439$ million.

## (Additional Information)

(Change to Consolidated Subsidiary Company (Share Transfer))
With respect to Share Transfer of INTERNATIONAL TRANSPORTATION INC., which is our consolidated subsidiary company, reported as the Additional Information in Financial Highlights of the Third Quarter ended December 31, 2022, the Share Transfer schedule has been changed due to the delay in the approval process schedule of competent government authorities under relevant laws and regulations.

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 is OCEAN NETWORK EXPRESS PTE. LTD., referred to as "ONE"), and we have entered into share transfer agreements with Recipient 1 and ONE respectively (hereinafter, the Share Transfer to Recipient 1 shall be referred to as "Share Transfer 1" and the Share Transfer to ONE shall be referred to as "Share Transfer 2")

## 2. Schedule

| (1) Implementation date of Share Transfer 1 | early June 2023 (*scheduled date) |
| :--- | :--- |
| (2) Implementation date of Share Transfer 2 (Date of <br> change to consolidated subsidiary company) | mid-June 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.


## (6) Segment Information

Business segment information:

| $\begin{gathered} \text { FY2021 } \\ \text { (Apr. 1, 2021-Mar. 31, 2022) } \end{gathered}$ | Reportable Segment |  |  |  |  |  |  | Others$*_{1}$ | Total | Adjustment *2 | $\begin{aligned} & \text { Consoli- } \\ & \text { dated } \\ & * 3 \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Dry Bulk Business | Energy <br> Business | Product Transport Business |  |  | Associated Businesses | Sub Total |  |  |  |  |
|  |  |  | Container ships | Car Carriers, Terminal and Logistics, Ferries and Coastal RoRo ships |  |  |  |  |  |  |  |
| Revenues |  |  |  |  |  |  |  |  |  |  |  |
| 1.Revenues from external customers | 360,742 | 294,006 | 56,664 | 458,689 | 38,919 | 44,567 | 1,253,590 | 15,720 | 1,269,310 | - | 1,269,310 |
| 2.Inter-segment revenues | 171 | 9,159 | 274 | 3,591 | 3,074 | 21,631 | 37,902 | 8,572 | 46,475 | $(46,475)$ | - |
| Total Revenues | 360,913 | 303,165 | 56,939 | 462,281 | 41,993 | 66,198 | 1,291,492 | 24,293 | 1,315,786 | $(46,475)$ | 1,269,310 |
| Segment profit (loss) | 43,275 | 19,838 | 634,000 | 28,997 | 9,793 | $(2,316)$ | 733,589 | 2,714 | 736,303 | $(14,523)$ | 721,779 |
| Others |  |  |  |  |  |  |  |  |  |  |  |
| Depreciation and amortization | 10,808 | 35,122 | 3,995 | 25,384 | 7,255 | 2,038 | 84,604 | 639 | 85,244 | 1,155 | 86,399 |
| Amortization of goodwill | - | 33 | - | - | 192 | - | 225 | - | 225 | - | 225 |
| Interest income | 844 | 5,681 | 10 | 198 | 64 | 23 | 6,822 | 1,315 | 8,138 | $(1,197)$ | 6,940 |
| Interest expenses | 1,582 | 6,716 | 703 | 963 | 1,243 | 82 | 11,292 | 699 | 11,991 | (599) | 11,392 |
| Equity in earnings (losses) of affiliates | 3,481 | 16,579 | 635,876 | 1,250 | - | 188 | 657,375 | - | 657,375 | - | 657,375 |

* 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 .
(1) Adjustment in Segment profit (loss) of $¥-14,523$ million include the following:
$¥-21,765$ million of corporate profit which is not allocated to segments, $¥ 5,712$ million of adjustment for
management accounting and $¥ 1,529$ million of inter-segment transaction elimination
(2) Adjustment in Depreciation and amortization of $¥ 1,155$ million include the following:
$¥ 1,155$ million of depreciation of assets which are not allocated to segments.
(3) Adjustment in Interest income of $¥-1,197$ million include the following:
$¥ 711$ million of interest income which is not allocated to segments and $¥-1,909$ million of inter-segment transaction elimination.
(4) Adjustment in Interest expenses of $¥-599$ million include the following:
$¥ 4,379$ million of interest expenses which are not allocated to segments, $¥-3,049$ million of adjustment for
management accounting and $¥-1,929$ million of inter-segment transaction elimination.
* 3. Segment profit (loss) corresponds to ordinary profit in the consolidated statements of income.

| FY2022 <br> (Apr. 1, 2022 - Mar. 31, 2023) | Reportable Segment |  |  |  |  |  |  | $\begin{gathered} \text { Others } \\ { }_{* 1} \end{gathered}$ | Total | Adjustment *2 | Consolidated *3 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Dry Bulk Business | Energy <br> Business | Product Transport Business |  | Real <br> Property Business | Associated Businesses | Sub Total |  |  |  |  |
|  |  |  | Container ships | $\begin{array}{\|c} \hline \text { Car Carriers, } \\ \text { Terminal and } \\ \text { Logistics, } \\ \text { Ferries and } \\ \text { Coastal RoRo } \\ \text { ships } \end{array}$ |  |  |  |  |  |  |  |
| Revenues |  |  |  |  |  |  |  |  |  |  |  |
| 1.Revenues from external customers | 429,602 | 388,709 | 53,060 | 624,291 | 39,582 | 57,113 | 1,592,360 | 19,623 | 1,611,984 | - | 1,611,984 |
| 2.Inter-segment revenues | 1,242 | 13,165 | 299 | 3,872 | 3,109 | 26,178 | 47,868 | 13,477 | 61,345 | $(61,345)$ | - |
| Total Revenues | 430,844 | 401,874 | 53,360 | 628,164 | 42,691 | 83,292 | 1,640,229 | 33,100 | 1,673,329 | $(61,345)$ | 1,611,984 |
| Segment profit (loss) | 57,668 | 39,597 | 620,173 | 85,265 | 8,131 | (585) | 810,251 | 1,772 | 812,024 | (434) | 811,589 |
| Others |  |  |  |  |  |  |  |  |  |  |  |
| Depreciation and amortization | 11,610 | 38,563 | 5,123 | 24,416 | 7,989 | 2,123 | 89,826 | 847 | 90,674 | 3,985 | 94,660 |
| Amortization of goodwill | - | 175 | - | - | 212 | - | 387 | - | 387 | - | 387 |
| Interest income | 1,606 | 10,963 | 124 | 343 | 136 | 21 | 13,196 | 5,937 | 19,133 | $(4,660)$ | 14,473 |
| Interest expenses | 2,736 | 13,414 | 1,150 | 773 | 1,588 | 76 | 19,740 | 4,919 | 24,659 | $(7,391)$ | 17,268 |
| Equity in earnings (losses) of affiliates | 19,001 | 26,471 | 620,755 | 2,021 | - | 184 | 668,435 | - | 668,435 | - | 668,435 |

* 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 .
(1) Adjustment in Segment profit (loss) of $¥-434$ million include the following:
$¥-9,268$ million of corporate profit which is not allocated to segments, $¥ 7,026$ million of adjustment for management accounting and $¥ 1,807$ million of inter-segment transaction elimination.
(2) Adjustment in Depreciation and amortization of $¥ 3,985$ million include the following:
$¥ 3,985$ million of depreciation of assets which are not allocated to segments.
(3) Adjustment in Interest income of $¥-4,660$ million include the following
$¥ 4,181$ million of interest income which is not allocated to segments and $¥-8,841$ million of inter-segment transaction elimination.
(4) Adjustment in Interest expenses of $¥-7,391$ million include the following:
$¥ 8,482$ million of interest expenses which are not allocated to segments, $¥-7,026$ million of adjustment for management accounting and $¥-8,846$ million of inter-segment transaction elimination.
* 3. Segment profit (loss) corresponds to ordinary profit in the consolidated statements of income.
* 4. 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 previous fiscal year are reclassified or adjusted to conform to the presentation for the fiscal year.
* 5. 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 ended 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 fiscal year under review decreased
$¥ 922$ million in the Dry Bulk Business, $¥ 182$ million in the Energy Business, $¥ 333$ million in the Car Carriers,
Terminal and Logistics, Ferries and Coastal RoRo Ships Businesses, and $¥ 0$ million in Others.
There is no impact on Segment profit (loss) in the Containerships Business, the Real Property Business and the Associated Businesses.
* 6. 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 ended March 31, 2023.
In comparison with the results based on the previous method, Segment profit (loss) for the fiscal year under review decreased
$¥ 938$ million in the Dry Bulk Business, $¥ 772$ million in the Energy Business, increased $¥ 2,778$ million in the Containerships Business,
$¥ 709$ million in the Car Carriers, Terminal and Logistics, Ferries and Coastal RoRo Ships Businesses,
decreased $¥ 1,028$ million in the Real Property Business, $¥ 1,352$ million in the Associated Businesses, $¥ 94$ million in Others,
and increased $¥ 699$ million in Adjustment in Segment profit (loss).
[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

<FY2022>

|  | Q1 | Q2 | Q3 | Q4 |
| :---: | :---: | :---: | :---: | :---: |
|  | Apr-Jun, 2022 | Jul-Sep, 2022 | Oct-Dec, 2022 | Jan-Mar, 2023 |
| Revenues [ $¥$ Millions] | 374,783 | 446,554 | 436,631 | 354,016 |
| Operating profit (loss) | 23,597 | 32,490 | 40,157 | 12,465 |
| Ordinary profit (loss) | 284,191 | 315,604 | 139,459 | 72,335 |
| Income (Loss) before income taxes | 288,824 | 331,612 | 138,824 | 59,900 |
| Profit (Loss) attributable to owners of parent | 285,779 | 315,744 | 121,722 | 72,815 |
| Net income (loss)* per share [¥] | 791.96 | 874.46 | 336.91 | 201.43 |
| Net income (loss)* per share (Diluted basis) [ $\ddagger$ ] | 788.68 | 871.08 | 335.70 | 200.74 |
| Total Assets [¥ Millions] | 3,134,568 | 3,588,441 | 3,522,800 | 3,564,247 |
| Total Net Assets | 1,465,448 | 1,879,559 | 1,917,992 | 1,937,621 |

*Profit (Loss) attributable to owners of parent
<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 | 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 |
| Net income (loss)* per share (Diluted basis) [ $¥$ ] | 289.28 | 472.36 | 586.76 | 611.26 |
| 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)

FY2021

| Vessels | 62,902 |
| :--- | :--- |
| Others | 23,496 |
| Total | 86,399 |

FY2022

68,311
Increase / Decrease

26,349
94,660

5,408 2,852

8,260

## 3. Interest-bearing Debt

|  |  |  | ( $¥$ Millions) <br> Increase / Decrease |
| :--- | ---: | ---: | ---: |
| Bank loans | As of Mar.31,2022 | As of Mar.31,2023 | 96,884 |
| Bonds | 767,271 | 864,155 | $(23,700)$ |
| Commercial paper | 213,200 | 189,500 | 72,000 |
| Others | 8,000 | 80,000 | 7,566 |
| Total | 12,226 | 19,793 | 152,750 |

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



|  | Coastal R | \& o ships | Cruise 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 | 12 | 72 | 2 | 8 | 7 | 47 | 224 | 17,977 |
| Chartered | 4 | 25 | - | - | 24 | 74 | 468 | 32,383 |
| Others | - | - | - | - | 1 | 1 | 5 | 305 |
| As of Mar.31, 2023 | 16 | 97 | 2 | 8 | 32 | 121 | 697 | 50,666 |
| 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

|  | FY2021 | FY2022 |  | Change |  |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Average rates | $¥ 111.52$ | $¥ 134.67$ | $¥ 23.15$ | $[20.8 \%]$ |  |
| Term-end rates | $¥ 122.39$ | $¥ 133.53$ | $¥ 11.14$ | $[9.1 \%]$ |  |

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 Dec.31, 2021 | As of Dec. 31, 2022 | Change |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Term-end rates | $¥ 115.02$ | $¥ 132.70$ | $¥ 17.68$ | $[15.4 \%]$ |  | JPY Depreciated $\quad$| J. |
| :--- |

## 6. Average Bunker Prices

|  | FY2021 | FY2022 | Increase / Decrease |
| :---: | :---: | :---: | :---: |
| Purchase Prices | US\$585/MT | US\$745/MT | US\$160/MT |

## 7. Market Information

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

Source : Clarkson Research


Remark) The Graph and the table have different fluctuation ranges as the graph reflects daily figures while the table shows monthly averages.


| 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 |
| 2023 | 28,223 | 41,999 | 84,755 |  |  |  |  |  |  |  |  |  | 51,659 |

Remark) The Graph and the table have different fluctuation ranges as the graph reflects weekly figures while the table shows monthly averages.
(3) Containership Market (China Containerized Freight Index) (Index: January 1st $1998=\mathbf{1 , 0 0 0}$ Source : Clarkson Research



[^0]:    * The Company split its common share on the basis of one (1) unit into three (3) shares effective April 1, 2022. Accordingly, the dividends per share for the fiscal year (FY2021) ended March 31, 2022 represent the actual amount of dividends before the stock split.

[^1]:    Note: Revenue shows sales to external customers

