



Business Performance
in
FY2017 - 1st Quarter

Mitsui O.S.K. Lines, Ltd.

July 31, 2017

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Note1: Fiscal Year = from April 1 to March 31

Q1 = April to June

Q2 = July to September

Q3 = October to December

Q4 = January to March

Note2: Figures less than JPY 0.1 billion are rounded down.

Note3: Net income/loss = Profit/loss attributable to owners of parent

FY2017 1st Quarter Results [Consolidated]

| (¥billion) | FY2017 Q1 Result | FY2016 Q1 Result | YoY | FY2016 Q4 Result |
|-----------------------|---------------------|---------------------|-----------|---------------------|
| Revenue | 403.2 | 360.0 | +43.2 | 422.9 |
| Operating profit/loss | 1.1 | − 3.5 | +4.7 | 4.6 |
| Ordinary profit/loss | 5.8 | 0.7 | +5.1 | 11.6 |
| Net income/loss | 5.2 | 1.4 | +3.8 | − 13.7 |
| Average exchange rate | ¥110.79/\$ | ¥110.31/\$ | +¥0.48/\$ | ¥115.11/\$ |
| Average bunker price* | \$319/MT | \$226/MT | +\$93/MT | \$339/MT |

* Purchase Prices

【Ordinary income/loss】YoY Comparison (Major factors) (¥billion)

| | | | | |
|--------------------------------------------|-------|-----|-----------|----------|
| Fluctuation of Foreign Exchange | +¥0.2 | YoY | +¥0.48/\$ | ¥ Weaker |
| Fluctuation of Bunker Price | −¥4.0 | YoY | +\$93/MT | Higher |
| Fluctuation of cargo volume/freight rates, | +¥8.8 | | | |
| (Balance) | +¥5.1 | | | |

[By segment]

| | Upper | Revenue | |
|--------------------------------------------------------------------------------------------------------|---------------------|----------------------|--------------|
| | Lower | Ordinary profit/loss | |
| | FY2017 Q1 Result | FY2016 Q1 Result | YoY |
| (¥ billion) | | | |
| Dry Bulk Business (excluding; Steaming Coal Carriers) | 69.3 | 63.0 | +6.3 |
| | 4.8 | 1.5 | +3.3 |
| Energy Transport Business (Tankers, Steaming Coal Carriers, LNG Carriers, Offshore business) | 64.5 | 62.5 | +2.0 |
| | 3.4 | 7.0 | -3.5 |
| Product Transport Business (PCC, Containerships, Ferries & Coastal RoRo Ships) | 242.3 | 207.7 | +34.6 |
| | -4.9 | -10.8 | +5.9 |
| Containerships only | 179.7 | 146.7 | +33.0 |
| | -6.2 | -11.6 | +5.3 |
| Associated businesses (Real estate, Cruise ship, Tug boats, Trading, etc.) | 22.8 | 22.4 | +0.4 |
| | 3.7 | 3.1 | +0.6 |
| Others | 4.1 | 4.3 | -0.2 |
| | 1.1 | 0.7 | +0.4 |
| Adjustment | - | - | - |
| | -2.4 | -0.8 | -1.6 |
| Consolidated | 403.2 | 360.0 | +43.2 |
| | 5.8 | 0.7 | +5.1 |

Note 1: Revenues from customers, unconsolidated subsidiaries and affiliated companies.

Outline of FY2017 Q1 Quarter Financial Results (I) [Consolidated]

[Overall]

- ◆ Ordinary profit ended higher than initial internal assumption.
 - ← Strong containership freight rates and liftings despite a slight downturn for tankers.
- ◆ Ordinary profit increased in a year-on-year comparison.
 - ← Containerships and dry bulkers improved despite a decrease in profits in the tanker division.

[By segment] [Ordinary profit/loss for FY2017 Q1 (year-on-year comparison)]

Dry Bulk Business [¥4.8 billion (+¥3.3 billion)]

- ▶ Vessels on spot contracts: FY2016 Q1 (previous year results) for mid- and small-size vessels reflected market for January to March 2016, when it marked a record low (the vessels were still operated by an overseas subsidiary at the time). In comparison to that period, the market improved significantly in April to June of this year. April saw strong shipments of grain from the East Coast of South America, and then a slightly slow tone from May to June. The Capesize market's upward mobility was very limited due to the impact of cyclones in Eastern Australia, etc. Overall, the market was slightly below initial internal assumption.
 - ▶ Vessels on mid- and long-term contracts: Continuously secured stable profits due to long-term contracts for iron ore, wood chips, etc.
- ⇒ Ordinary profit increased in a year-on-year comparison. Ended at almost the same level as the internal assumption.

Energy Transport Business [¥3.4 billion (-¥3.5 billion)]

■ Tankers

- ▶ Crude oil tankers: Ended at almost the same level as the initial assumption thanks to a higher proportion of mid- and long-term contracts despite a slowdown in the spot market.
 - ▶ Product tankers: The market showed a downturn due to newbuilding vessel supply pressure and a slowdown in arbitrage trading.
 - ▶ Methanol tankers, shuttle tankers, etc. recorded solid profits. Chemical tankers had a slightly tough time due partly to the impact of the product tanker market.
- ⇒ Significant decrease in profit in a year-on-year comparison, and a slight downturn from the initial assumption.

Outline of FY2017 Q1 Quarter Financial Results (II) [Consolidated]

■ LNG carriers/offshore business

Ordinary profit increased in a year-on-year comparison, at the same level as the initial assumption.

Product Transport Business [-¥4.9 billion (+¥5.9 billion)]

■ Containerships[-¥6.2 billion (+¥5.3 billion)]

- ◆ Freight rates: Spot freight rates for North America softened due to an increase in supply capacity. The rates for Europe remained generally stable. In a year-on-year comparison, rates improved significantly on the Asia-Europe route and the Asia-East Coast of South America route (almost the same as the initial assumption).

Freight rates on the Europe-Asia eastbound route turned up from the initial assumption.

- ◆ Cargo volume: Cargo trades for North America reached a historic high following the January-March period. Trades for Europe also showed steady increases, and utilization was strong as well. In a year-on-year comparison, cargo volume increased on all major routes. In comparison with the initial internal assumption, cargo volume for North America showed an upturn.

⇒ Deficits reduced by half in year-on-year comparison. Ordinary profit showed a slight upturn from the initial internal assumption.

■ Car carriers

Trade for North America remained strong, but shipments for resource-producing countries and emerging countries remained stagnant. Took measures for changes in trade patterns by reducing the number of vessels. Slight improvement both in a year-on-year comparison and from the initial internal assumption.

■ Ferries & Coastal RoRo Ships

Trades remained strong, spurred by the modal shift. Secured the same level of profits as the previous year by absorbing an increase in fuel costs.

Associated Businesses [¥3.7 billion (+¥0.6 billion)]

Office rental market remained strong. Ordinary profit increased in a year-on-year comparison.

FY2017 Full-year Forecast [Consolidated]

*as of April 28, 2017

| (¥ billion) | 1st Half | | | | | 2nd Half | | | Full-year | | |
|-----------------------|------------|-------------|------------|--------------------|-----------|------------|--------------------|----------|------------|--------------------|-----------|
| | Q1 Result | Q2 Forecast | Forecast | Previous Forecast* | Variance | Forecast | Previous Forecast* | Variance | Forecast | Previous Forecast* | Variance |
| Revenue | 403.2 | 416.7 | 820.0 | 805.0 | +15.0 | 795.0 | 805.0 | -10.0 | 1,615.0 | 1,610.0 | +5.0 |
| Operating profit/loss | 1.1 | 8.8 | 10.0 | 4.0 | +6.0 | 8.0 | 5.0 | +3.0 | 18.0 | 9.0 | +9.0 |
| Ordinary profit/loss | 5.8 | 10.1 | 16.0 | 11.0 | +5.0 | 9.0 | 11.0 | -2.0 | 25.0 | 22.0 | +3.0 |
| Net income/loss | 5.2 | 7.7 | 13.0 | 7.0 | +6.0 | -1.0 | 3.0 | -4.0 | 12.0 | 10.0 | +2.0 |
| Average exchange rate | ¥110.79/\$ | ¥110.00/\$ | ¥110.40/\$ | ¥110.00/\$ | +¥0.40/\$ | ¥110.00/\$ | ¥110.00/\$ | ¥0.00/\$ | ¥110.20/\$ | ¥110.00/\$ | +¥0.20/\$ |
| Average bunker price* | \$319/MT | \$330/MT | \$324/MT | \$350/MT | -\$26/MT | \$330/MT | \$350/MT | -\$20/MT | \$327/MT | \$350/MT | -\$23/MT |

* Purchase Prices

| (cf) FY2016 Result | | | 1st Half | 2nd Half | Full-year |
|-----------------------|-------|-------|----------|----------|-----------|
| | Q1 | Q2 | | | |
| Revenue | 360.0 | 353.4 | 713.5 | 790.8 | 1,504.3 |
| Operating profit/loss | -3.5 | 1.5 | -2.0 | 4.5 | 2.5 |
| Ordinary profit/loss | 0.7 | 4.7 | 5.4 | 19.9 | 25.4 |
| Net income/loss | 1.4 | 14.6 | 16.0 | -10.8 | 5.2 |

Average exchange rate ¥110.31/\$ ¥103.64/\$ ¥106.98/\$ ¥110.16/\$ ¥108.57/\$
 Average bunker price* \$226/MT \$257/MT \$241/MT \$321/MT \$284/MT

(cf) Sensitivity against Ordinary income

FY2017 (9months/Max)

FX Rate : ±¥ 0.5 bn/¥1/\$

Bunker Price : ±¥ 0.12 bn/\$1/MT

[By segment]

| | Upper | | Revenue | | | | | | | | | | | | | | | |
|--------------------------------------------------------------------------------------------------------|-----------|-------------|----------------------|--------------------|----------|----------|--------------------|----------|-----------|--------------------|----------|--|--|--|--|--|--|--|
| | Lower | | Ordinary profit/loss | | | | | | | | | | | | | | | |
| (¥ billion) | H1 | | | | | H2 | | | Full-year | | | | | | | | | |
| | Q1 Result | Q2 Forecast | Forecast | Previous Forecast* | Variance | Forecast | Previous Forecast* | Variance | Forecast | Previous Forecast* | Variance | | | | | | | |
| Dry Bulk Business (excluding; Steaming Coal Carriers) | 69.3 | 65.6 | 135.0 | 125.0 | +10.0 | 125.0 | 125.0 | 0 | 260.0 | 250.0 | +10.0 | | | | | | | |
| | 4.8 | 1.6 | 6.5 | 6.5 | 0 | 5.0 | 6.5 | -1.5 | 11.5 | 13.0 | -1.5 | | | | | | | |
| Energy Transport Business (Tankers, Steaming Coal Carriers, LNG Carriers, Offshore business) | 64.5 | 60.4 | 125.0 | 130.0 | -5.0 | 130.0 | 130.0 | 0 | 255.0 | 260.0 | -5.0 | | | | | | | |
| | 3.4 | 3.5 | 7.0 | 8.0 | -1.0 | 6.5 | 8.0 | -1.5 | 13.5 | 16.0 | -2.5 | | | | | | | |
| Product Transport Business (PCC, Containerships, Ferries & Coastal RoRo Ships) | 242.3 | 262.6 | 505.0 | 495.0 | +10.0 | 490.0 | 500.0 | -10.0 | 995.0 | 995.0 | 0 | | | | | | | |
| | -4.9 | 3.9 | -1.0 | -8.0 | +7.0 | -7.5 | -8.5 | +1.0 | -8.5 | -16.5 | +8.0 | | | | | | | |
| Containerships only | 179.7 | 185.2 | 365.0 | 365.0 | 0 | 370.0 | 375.0 | -5.0 | 735.0 | 740.0 | -5.0 | | | | | | | |
| | -6.2 | 1.7 | -4.5 | -9.5 | +5.0 | -11.0 | -12.0 | +1.0 | -15.5 | -21.5 | +6.0 | | | | | | | |
| Associated businesses (Real estate, Cruise ship, Tug boats, Trading, etc.) | 22.8 | 22.1 | 45.0 | 45.0 | 0 | 45.0 | 45.0 | 0 | 90.0 | 90.0 | 0 | | | | | | | |
| | 3.7 | 2.7 | 6.5 | 6.0 | +0.5 | 6.0 | 6.0 | 0 | 12.5 | 12.0 | +0.5 | | | | | | | |
| Others | 4.1 | 5.8 | 10.0 | 10.0 | 0 | 5.0 | 5.0 | 0 | 15.0 | 15.0 | 0 | | | | | | | |
| | 1.1 | 0.3 | 1.5 | 0.5 | +1.0 | 1.0 | 1.0 | 0 | 2.5 | 1.5 | +1.0 | | | | | | | |
| Adjustment | - | - | - | - | - | - | - | - | - | - | - | | | | | | | |
| | -2.4 | -2 | -4.5 | -2.0 | -2.5 | -2.0 | -2.0 | 0 | -6.5 | -4.0 | -2.5 | | | | | | | |
| Consolidated | 403.2 | 416.7 | 820.0 | 805.0 | +15.0 | 795.0 | 805.0 | -10.0 | 1615.0 | 1610.0 | +5.0 | | | | | | | |
| | 5.8 | 10.1 | 16.0 | 11.0 | +5.0 | 9.0 | 11.0 | -2.0 | 25.0 | 22.0 | +3.0 | | | | | | | |

as of April 28, 2017

Note1: Revenues are from customers, unconsolidated subsidiaries and affiliated companies.

| (cf) FY2016 Results | | | H1 | H2 | Full-year |
|--------------------------------------------------------------------------------------------------------|-------|-------|-------|-------|-----------|
| | Q1 | Q2 | | | |
| Dry Bulk Business (excluding; Steaming Coal Carriers) | 63.0 | 62.0 | 125.0 | 142.7 | 267.8 |
| | 1.5 | 3.8 | 5.4 | 6.5 | 11.9 |
| Energy Transport Business (Tankers, Steaming Coal Carriers, LNG Carriers, Offshore business) | 62.5 | 64.2 | 126.8 | 131.0 | 257.8 |
| | 7.0 | 8.3 | 15.4 | 11.0 | 26.4 |
| Product Transport Business (PCC, Containerships, Ferries & Coastal RoRo Ships) | 207.7 | 204.9 | 412.6 | 458.6 | 871.3 |
| | -10.8 | -8.5 | -19.4 | -8.5 | -28.0 |
| Containerships only | 146.7 | 144.9 | 291.6 | 329.0 | 620.7 |
| | -11.6 | -9.7 | -21.3 | -11.4 | -32.8 |
| Associated businesses (Real estate, Cruise ship, Tug boats, Trading, etc.) | 22.4 | 22.7 | 45.2 | 44.7 | 90.0 |
| | 3.1 | 2.6 | 5.7 | 6.6 | 12.3 |
| Others | 4.3 | -0.6 | 3.7 | 13.5 | 17.2 |
| | 0.7 | -0.1 | 0.5 | 1.4 | 2.0 |
| Adjustment | - | - | - | - | - |
| | -0.8 | -1.4 | -2.2 | 2.8 | 0.5 |
| Consolidated | 360.0 | 353.4 | 713.5 | 790.8 | 1,504.3 |
| | 0.7 | 4.7 | 5.4 | 19.9 | 25.4 |

Note2:

The figures for FY2016 1Q and full year are reclassified in line with the new disclosure segment, with adjustment of inter-segment transactions.

The figures for FY2016 2Q, 1H and 2H are approximate referential figures, generated by simply recomposing from the former segments to new segments without changing inter-segment transactions.

Key Points of FY2017 Forecasts (I) [Consolidated]

[Overall]

- ◆ Made an upward revision for both the first half and full year from the previously announced (April 28) outlook (however, made a downward revision for the second half).

← Improvement in containerships vs. slow dry bulker and tanker markets

| | Initial (April 28, 2017) | | Revised (July 31, 2017) |
|---------------------------|---------------------------------|---|---------------------------------|
| | H1/H2/Full-year ordinary profit | | H1/H2/Full-year ordinary profit |
| Dry Bulk Business | ¥6.5/6.5/13.0 billion | ⇒ | ¥6.5/5.0/11.5 billion |
| Energy Transport Business | ¥8.0/8.0/16.0 billion | ⇒ | ¥7.0/6.5/13.5 billion |
| Containerships | -¥9.5/-12.0/-21.5 billion | ⇒ | -¥4.5/-11.0/-15.5 billion |
| Total* | ¥11.0/11.0/22.0 billion | ⇒ | ¥16.0/9.0/25.0 billion |

* Total including other segments and adjustments.

- ◆ A certain amount of temporary costs for the integration of the containership business (equity in earnings of affiliates) is already included mainly in the second half since the previous announcement.

[By segment] [FY2017 forecast for ordinary profit (increase/decrease from the announcement on April 28)]

Dry Bulk Business [¥11.5 billion (-¥1.5 billion)]

Made an overall downward revision of the market assumption in consideration of the current market level. In the Capesize market, some level of improvement is expected toward the year end due to seasonal factors.

⇒ Made an overall downward revision from the initial outlook. Expect the same level of profit as the previous year.

Energy Transport Business [¥13.5 billion (-¥2.5 billion)]

■ Tankers

- ▶ Crude oil tankers: The market is expected to improve going forward, as it will enter the high-demand season from October. However, made a downward revision in the market assumption from the initial assumption in consideration of strong newbuilding supply pressure and the current market level.

Key Points of FY2017 Forecasts (II) [Consolidated]

- ▶ **Product Tankers:** The market is expected to improve in the second half due to an increase in demand for heating oil in the winter season.
 - ⇒ A significant decrease in ordinary profit from the previous year, which saw reverberations of the favorable market in 2015, and a downturn from the initial assumption.

■ LNG Carriers/Offshore Business

Expect to continue to record stable profits; expect the same level of profit as the initial assumption.

Product Transport Business [-¥8.5 billion (+¥8.0 billion)]

■ Containerships [-¥15.5 billion (+¥6.0 billion)]

- ◆ **Freight rates:** Expect a rise in spot freight rates on major routes during the peak season from July to September due to Christmas cargo shipments.
- ◆ **Cargo volume:** Strong trade for North America will continue in the immediate future; for Europe, the pace of recovery is expected to accelerate.
- ◆ **Other:** In addition to increasing the effects of yield management, the start of the new alliance brought significant reductions in cargo costs. A certain amount of temporary costs for the integration of the containership business (equity in earnings of affiliates) is already included, mainly in the second half.
 - ⇒ Made upward revision from the previous announcement. Expect a significant scale-down of the loss for the previous year.

■ Car Carriers

Though trades for North America and Europe are expected to remain strong, those for the Middle East will continue to be stagnant. The decline in trades for East and South Africa will come to a halt, and then show a moderate recovery. Continue to dispose of surplus vessels as a result of rationalization of vessel allocation (returning and scrapping).

⇒ A slight improvement from the previous year's break-even profitability.

No significant change from the initial assumption for Ferries & RoRo Ships and Associated Businesses.

[Dividend] Plan to pay ¥2 per share for the full-year (interim ¥1 + year-end ¥1) on a pre-consolidation of shares basis (consolidation of shares is scheduled in October). (No change from the previously announced plan)

Dry Bulker Market (Spot Charter Rate)

[Supplement #1]

1. FY2016 (Result)

(US\$/day)

| Size | FY2016 | | | | | | Full-year |
|-------------------------------------------------------------|---------------|---------|-------|-----------------------|--------------------------------------------------------------------------------|--------|-----------|
| | 1st Half | | | 2nd Half | | | |
| Market for vessels operated by MOL | Apr-Sep, 2016 | | | Oct, 2016 - Mar, 2017 | | | Average |
| | Apr-Jun | Jul-Sep | | Oct-Dec | Jan-Mar | | |
| Capesize | 6,700 | 8,100 | 7,400 | 12,200 | 11,200 | 11,700 | 9,500 |
| Panamax | 4,900 | 5,700 | 5,300 | 8,600 | 8,300 | 8,500 | 6,900 |
| Handymax | | | | 8,300 | 8,200 | 8,200 | 8,200 |
| Small handy | | | | 6,900 | 6,600 | 6,800 | 6,800 |
| Market for vessels operated by overseas subsidiaries of MOL | Jan-Jun, 2016 | | | Jul-Dec, 2016 | | | Average |
| | Jan-Mar | Apr-Jun | | Jul-Sep | Oct-Dec | | |
| Capesize | 2,700 | 6,700 | 4,700 | 8,100 | 12,200 | 10,100 | 7,400 |
| Market for vessels operated by overseas subsidiaries of MOL | Jan-Jun, 2016 | | | Jul-Dec, 2016 | | | Average |
| | Jan-Mar | Apr-Jun | | Jul-Sep | Oct-Dec | | |
| Panamax | 3,100 | 4,900 | 4,000 | 5,700 | Sales activities and ship operation to be transferred to Tokyo after Oct, 2016 | | 4,600 |
| Handymax | 3,800 | 5,800 | 4,800 | 7,100 | | 5,600 | |
| Small handy | 3,400 | 4,800 | 4,100 | 5,800 | | 4,700 | |

2. FY2017 (Result/Forecast)

(US\$/day)

| Size | FY2017 | | | | | | Full-year |
|-------------------------------------------------------------|---------------|---------|--------|-----------------------|---------|--------|-----------|
| | 1st Half | | | 2nd Half | | | |
| Market for vessels operated by MOL | Apr-Sep, 2017 | | | Oct, 2017 - Mar, 2018 | | | Average |
| | Apr-Jun | Jul-Sep | | Oct-Dec | Jan-Mar | | |
| Capesize | 12,000 | 12,000 | 12,000 | 14,000 | 8,000 | 11,000 | 11,500 |
| Panamax | 8,800 | 7,000 | 7,900 | 7,000 | 7,000 | 7,000 | 7,500 |
| Handymax | 8,800 | 7,500 | 8,200 | 7,500 | 7,500 | 7,500 | 7,800 |
| Small handy | 7,300 | 6,500 | 6,900 | 6,500 | 6,500 | 6,500 | 6,700 |
| Market for vessels operated by overseas subsidiaries of MOL | Jan-Jun, 2017 | | | Jul-Dec, 2017 | | | Average |
| | Jan-Mar | Apr-Jun | | Jul-Sep | Oct-Dec | | |
| Capesize | 11,200 | 12,000 | 11,600 | 12,000 | 14,000 | 13,000 | 12,300 |

Notes:

- 1) The general market results are shown in black.
- 2) The forecasts are shown in blue. These are referential charter rates for estimating P/L of free vessels that operates on spot contracts (contract period of less than two years). In case rates have already been agreed, however, such agreed rates are reflected on P/L estimation of the relevant voyages.
- 3) Market for vessels operated by our overseas subsidiaries is shown on Calendar year basis (Jan-Dec), because their fiscal year ends in Dec. and thus their P/L are consolidated three months later.
- 4) Market for Capesize=5TC Average(changed on and after FY2014 financial announcement), Panamax= 4TC Average, Handymax= 5TC Average, Small handy= 6TC Average.

Tanker Market (Spot Earning)

[Supplement #2]

1 . FY2016 (Result)

(US\$/day)

| Vessel Type | Trade | FY2016 | | | | | | Full-year |
|-------------------------------------------------------------|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | H1 | | | H2 | | | |
| Market for vessels operated by MOL | | Apr-Sep, 2016 | | | Oct, 2016 - Mar, 2017 | | | Average |
| | | Apr-Jun | Jul-Sep | | Oct-Dec | Jan-Mar | | |
| Crude Oil Tanker (VLCC) | Arabian Gulf - Japa (ref : WS) | 41,000 (79) | 17,100 (49) | 29,000 (64) | 45,900 (91) | 27,100 (69) | 36,500 (80) | 32,800 (72) |
| Product Tanker (MR) | Main 5 Trades | 12,600 | 9,600 | 11,100 | 9,500 | 11,100 | 10,300 | 10,700 |
| Market for vessels operated by overseas subsidiaries of MOL | | Jan-Jun, 2016 | | | Jul-Dec, 2016 | | | Average |
| | | Jan-Mar | Apr-Jun | | Jul-Sep | Oct-Dec | | |
| LPG Tanker (VLGC) | Arabian Gulf - Japa | 45,600 | 20,200 | 32,900 | 11,600 | 14,100 | 12,800 | 22,900 |

(Source)Product Tanker and LPG Tanker: Clarkson Research Services Limited

2 . FY2017 (Result/Forecast)

(US\$/day)

| Vessel Type | Trade | FY2017 | | | | | | Full-year |
|-------------------------------------------------------------|-----------------------------------|-----------------------|---------------|---------------|-----------------------|--|--|-------------|
| | | H1 | | | H2 | | | |
| Market for vessels operated by MOL | | Apr-Sep, 2017 | | | Oct, 2017 - Mar, 2018 | | | Average |
| | | Apr-Jun | Jul-Sep | | | | | |
| Crude Oil Tanker (VLCC) | Arabian Gulf - Japa (ref : WS) | 20,500 (56) | (53) | (55) | (69) | | | (62) |
| Product Tanker (MR) | Main 5 Trades | 9,100 | | | | | | |
| Market for vessels operated by overseas subsidiaries of MOL | | Jan-Jun, 2017 | | | Jul-Dec, 2017 | | | Average |
| | | Jan-Mar | Apr-Jun | | | | | |
| LPG Tanker (VLGC) | Arabian Gulf - Japa | 17,400 | 17,500 | 17,400 | | | | |

(Source)Product Tanker and LPG Tanker: Clarkson Research Services Limited

Note 1: The general market results are shown in black.

Note 2: The forecasts are shown in blue. These are referential WS for estimating P/L of free vessels that operates on spot contracts (contract period of less than two years). In case rates have already been agreed, however, such agreed rates are reflected on P/L estimation of the relevant voyages.

Note 3: WS of VLCC for 2016 have been translated by the Flat Rate of 2017.

Note 4: Product Tanker market is simple average of main 5 trades: Europe - US, US - Europe, Singapore - Australia, South Korea - Singapore, and India - Japan.

Note 5: LPG Tankers are operated by our overseas subsidiaries and the market is shown on Calendar year basis (Jan-Dec), because their fiscal year ends in Dec. and thus their P/L are consolidated three months later.

1. FY2016 (Result)

(1,000 units)

| (Completed-voyage basis / including voyage charter) | FY2016 | | | | | | |
|--------------------------------------------------------|----------|-------|-------|----------|-------|-------|-------|
| | 1st Half | | | 2nd Half | | Total | |
| | Q1 | Q2 | Q3 | Q4 | | | |
| Total | 970 | 1,038 | 2,007 | 1,006 | 1,064 | 2,070 | 4,077 |

2. FY2017 (Result/Forecast)

(1,000 units)

| (Completed-voyage basis / including voyage charter) | FY2017 | | | | |
|--------------------------------------------------------|----------|-------|----------|-------|-------|
| | 1st Half | | 2nd Half | | Total |
| | Q1 | Q2 | | | |
| Total | 1,034 | 1,134 | 2,169 | 2,083 | 4,252 |

*The forecasts are shown in blue.

Containership Major Trades Utilization/Freight Rate

[Supplement #4]

1. Utilization

(1,000TEU)

| Transpacific | | FY2016 | | | | | FY2017 | | | | |
|-------------------|-------------|--------|-----|-----|-----|-------|--------|----|----|----|-------|
| | | Q1 | Q2 | Q3 | Q4 | Total | Q1 | Q2 | Q3 | Q4 | Total |
| Outbound (E/B) | Capacity | 214 | 235 | 233 | 229 | 910 | 249 | | | | |
| | Lifting | 186 | 206 | 214 | 210 | 816 | 233 | | | | |
| | Utilization | 87% | 88% | 92% | 92% | 90% | 94% | | | | |
| Inbound (W/B) | Capacity | 200 | 235 | 235 | 226 | 895 | 239 | | | | |
| | Lifting | 119 | 117 | 132 | 141 | 509 | 149 | | | | |
| | Utilization | 60% | 50% | 56% | 62% | 57% | 62% | | | | |

| Asia-Europe | | FY2016 | | | | | FY2017 | | | | |
|-------------------|-------------|--------|-----|-----|------|-------|--------|----|----|----|-------|
| | | Q1 | Q2 | Q3 | Q4 | Total | Q1 | Q2 | Q3 | Q4 | Total |
| Outbound (W/B) | Capacity | 113 | 115 | 104 | 125 | 457 | 180 | | | | |
| | Lifting | 106 | 103 | 101 | 124 | 434 | 176 | | | | |
| | Utilization | 93% | 90% | 98% | 100% | 95% | 98% | | | | |
| Inbound (E/B) | Capacity | 107 | 110 | 107 | 108 | 432 | 147 | | | | |
| | Lifting | 80 | 77 | 86 | 85 | 328 | 104 | | | | |
| | Utilization | 75% | 69% | 81% | 78% | 76% | 70% | | | | |

| All Trades | | FY2016 | | | | | FY2017 | | | | |
|-------------|--|--------|-------|-------|-------|-------|--------|----|----|----|-------|
| | | Q1 | Q2 | Q3 | Q4 | Total | Q1 | Q2 | Q3 | Q4 | Total |
| Capacity | | 1,361 | 1,435 | 1,404 | 1,394 | 5,594 | 1,511 | | | | |
| Lifting | | 1,031 | 1,047 | 1,093 | 1,118 | 4,289 | 1,227 | | | | |
| Utilization | | 76% | 73% | 78% | 80% | 77% | 81% | | | | |

2. Average Freight Rates (Index: Q1-FY2008=100)

| All Trades | FY2016 | | | | | FY2017 | | | | |
|--------------------|--------|------|------|------|-----------|--------|----|----|----|-----------|
| | Q1 | Q2 | Q3 | Q4 | Full-year | Q1 | Q2 | Q3 | Q4 | Full-year |
| Freight rate index | 59.8 | 60.7 | 58.9 | 60.8 | 60.0 | 61.7 | | | | |

(Ref.) Bunker price/(MT) \$226 \$257 \$305 \$339 \$284 \$319 \$330 \$330 \$330 \$327

Fleet Composition(incl. Offshore business)

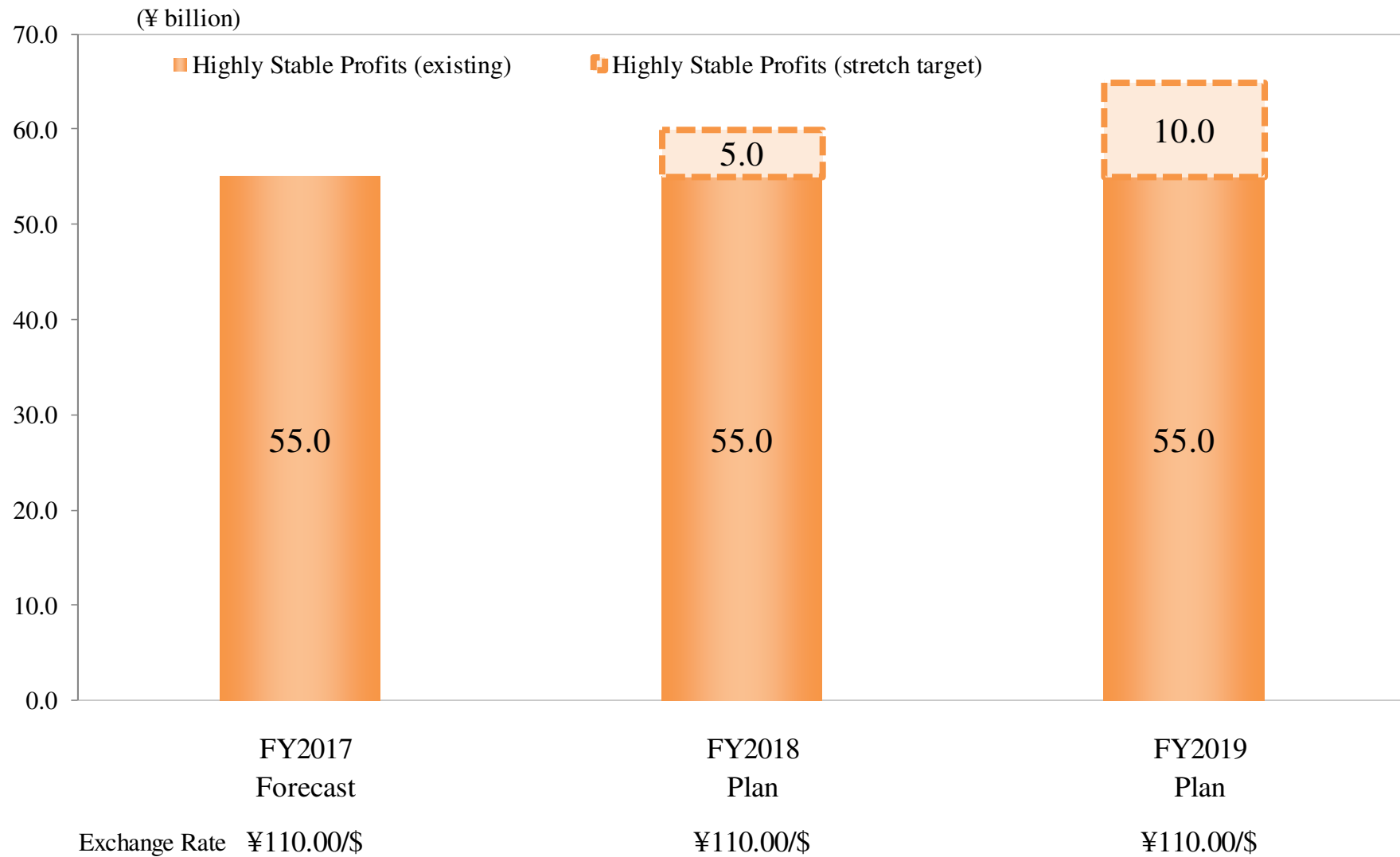
[Supplement #5]

| | | 31-Mar, 2017 | 30-Jun, 2017 | | 31-Mar, 2018 (Forecast) | |
|------------------------------------------|-----------------------------------------|-------------------------------------------|---------------|---------------|----------------------------|--|
| | | | 1,000dwt | | | |
| Dry Bulk Business | Capesize | 90 | 89 | 17,406 | | |
| | Small and medium-sized bulkers | Panamax | 24 | 26 | 2,108 | |
| | | Handymax | 57 | 48 | 2,634 | |
| | | Small Handy | 31 | 28 | 973 | |
| | | (Sub total) | 112 | 102 | 5,716 | |
| | Wood chip carriers | 39 | 39 | 2,158 | | |
| | Short sea ships | 55 | 55 | 965 | | |
| | (Sub total) | 296 | 285 | 26,245 | 276 | |
| | (Market Exposure) | (79) | - | (78) | | |
| Energy Transport Business | Tankers | Crude oil tankers | 40 | 40 | 10,498 | |
| | | Product tankers | 43 | 40 | 2,411 | |
| | | Chemical tankers (incl. Methanol tankers) | 78 | 79 | 2,443 | |
| | | LPG tankers | 8 | 8 | 447 | |
| | | (Sub total) | 169 | 167 | 15,800 | |
| | Steaming coal carriers | 41 | 43 | 3,911 | | |
| | (Sub total) | 210 | 210 | 19,711 | 198 | |
| | | (Market Exposure) | (106) | - | (91) | |
| | LNG carriers (incl. Ethane carriers) | 80 | 82 | 6,444 | 86 | |
| | Offshore FPSO | 4 | 4 | - | 7 | |
| Coastal ships (excl. Coastal RoRo ships) | 29 | 29 | 93 | 29 | | |
| Product Transport Business | Car carriers | 120 | 116 | 1,972 | 110 | |
| | Containerships | 91 | 93 | 7,108 | 89 | |
| | Ferries & Coastal RoRo ships | 14 | 14 | 78 | 14 | |
| Cruise ships | 1 | 1 | 5 | 1 | | |
| Others | 2 | 2 | 13 | 2 | | |
| Total | 847 | 836 | 61,670 | 812 | | |

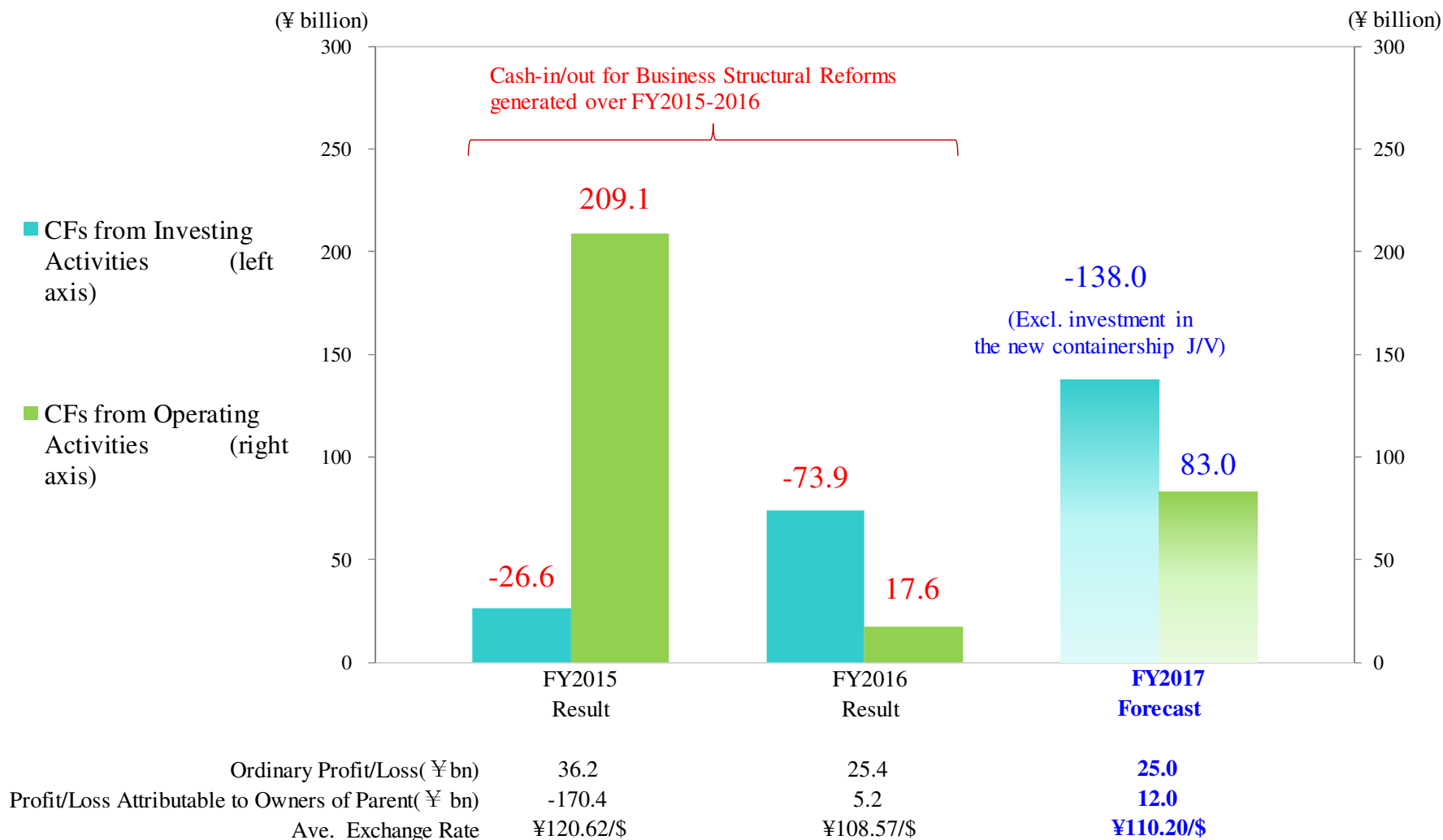
Note 1: Including spot-chartered ships and those owned by joint ventures

Note 2: "Market Exposure"=Vessels operating under contracts less than two years, which are owned or mid-and long-term chartered vessels.

Note 3: Estimated "Market Exposure" of 31-Mar,2018 is as of 28-Apr,2017.

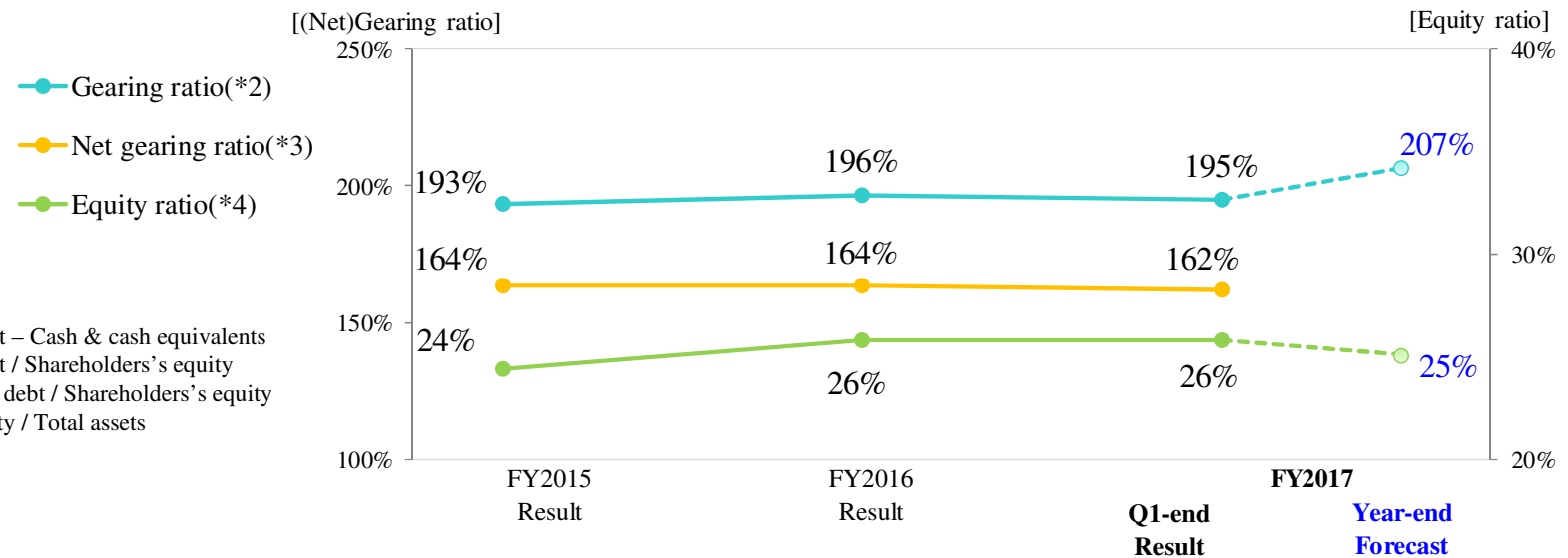
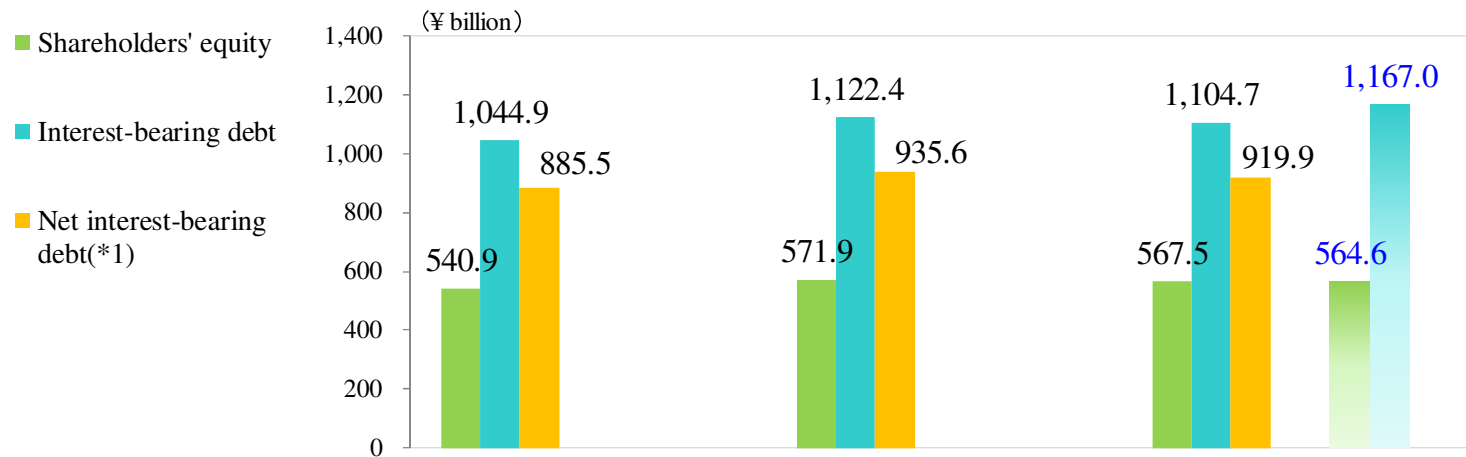


(as of April 28, 2017)



Note1: Free Cash Flows (FCFs) = CFs from Operating Activities – CFs from Investing Activities

Note2: CFs from Investing Activities are “net” figures. (Gross Investments – Sales of Assets, etc)



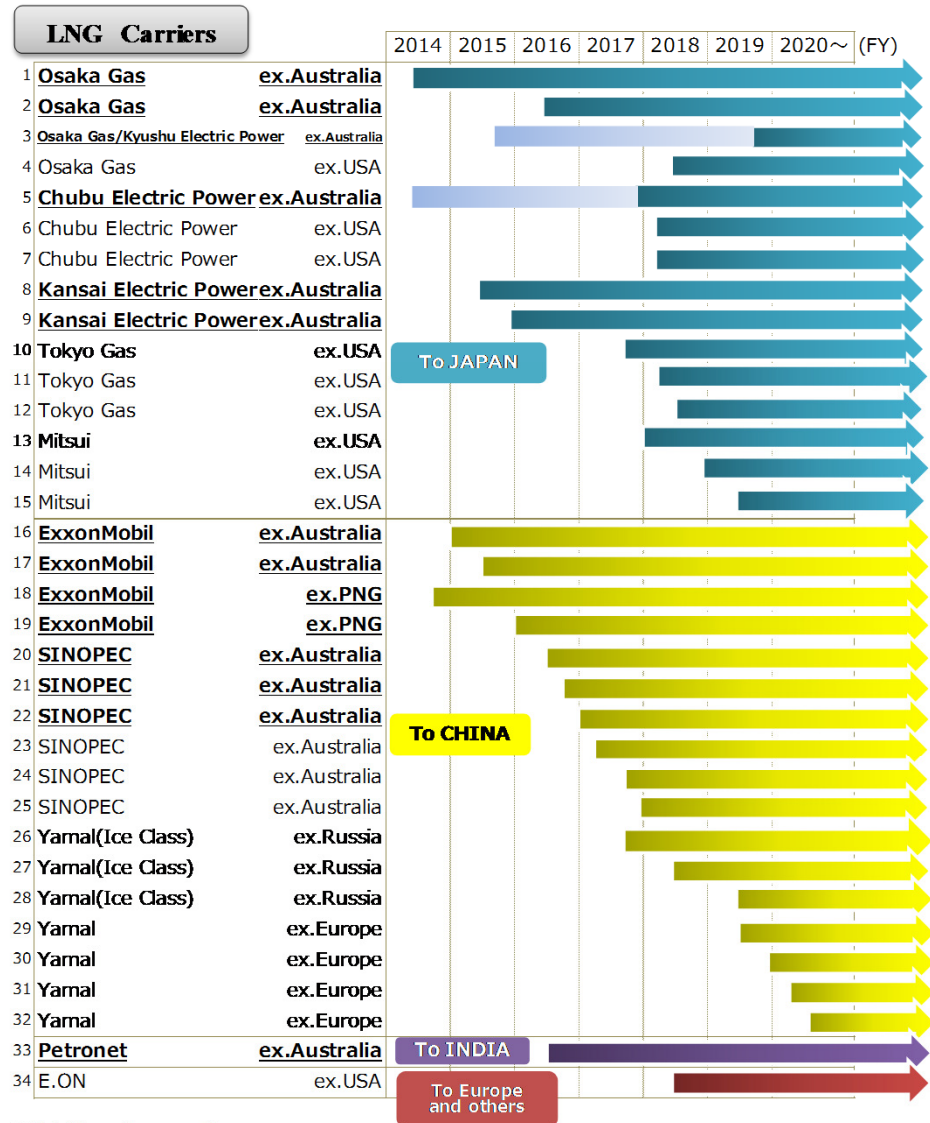
(*1) Interest-bearing debt – Cash & cash equivalents
 (*2) Interest-bearing debt / Shareholders's equity
 (*3) Net interest-bearing debt / Shareholders's equity
 (*4) Shareholders's equity / Total assets

(Term-end Exchange Rate)

| | | | | |
|-----------------------|------------|------------|------------|------------|
| MOL | ¥112.68/\$ | ¥112.19/\$ | ¥112.00/\$ | ¥110.00/\$ |
| Overseas Subsidiaries | ¥120.61/\$ | ¥116.49/\$ | ¥112.19/\$ | ¥110.00/\$ |

LNG Carriers and Offshore businesses: Signed Contracts [Supplement #9]

(to be started after Apr. 2014 onward)



※**Bold** is under operation

