

March 31, 2017

## **Mitsui O.S.K. Lines, Ltd. Announces Recording of Extraordinary Loss and Revision of Forecast for Extraordinary Loss**

TOKYO—Mitsui O.S.K. Lines., Ltd. (the Company; President & CEO: Junichiro Ikeda) today announced the recording of an extraordinary loss and a revision of the forecast for extraordinary loss for fiscal year (FY) 2016 (April 1, 2016 to March 31, 2017), as follows.

### 1. Recording of Extraordinary Loss (Impairment Loss on Fixed Assets in Containership Business)

#### (1) Details of Extraordinary Loss

The containership business continues to show low profitability while the spot freight rate market remains at low levels despite showing an improvement to a certain extent, and the Company sees an indicator of impairment on fixed assets for said business, such as vessels. As a result, an impairment loss of ¥20.5 billion will be recorded as an extraordinary loss for the fourth quarter of FY2016, after reviewing the recoverability from said fixed assets.

Meanwhile, the Company recorded an impairment loss on the containership business for the previous fiscal year ended on March 31, 2016.

However, the impairment loss recorded this time is based on the recoverable amount calculated in consideration of the subsequently continuing decline in containership market prices.

#### (2) Impact on the Company's Business Performance

The Company projected net income\* in its consolidated business outlook for FY2016, which was announced on January 31, 2017, considering the possibility of the above-mentioned extraordinary loss. (Please refer to: "Mitsui O.S.K. Lines, Ltd. Announces Revision of FY2016 Outlook and Year-end Dividend Outlook as of January 31, 2017). Therefore, the impact on the full-year consolidated business outlook for FY2016 is minimal.

\* Profit/loss attributable to owners of parent

### 2. Revised Forecast for Extraordinary Loss (Dry Bulker Business)

#### (1) Details of Revision

As a part of the Business Structural Reforms (\*) in the dry bulker business, the Company's consolidated subsidiary MOL Bulk Carrier Pte. Ltd. (MOLBC) in Singapore suspended business as of September 30, 2016. Prior to the suspension, MOLBC canceled some charter-in contracts for its operated vessels and transferred the remaining charter-in contracts

to the Company. The projected loss caused by the cancellation and transfer of charter-in contracts by MOLBC is increased by ¥6.9 billion.

(\*) Please refer to “MOL to Implement Business Structural Reforms in Dry Bulker and Containership Businesses, Will Record Extraordinary Loss” dated March 31, 2016.

(2) Reasons for Revision

This is due to the revision of the applicable exchange rate of the projection for the loss on cancellation and transfer of charter-in contracts from the rate at the time MOLBC suspended business (¥101.12/US\$ as of September 30, 2016) to the end of MOLBC’s fiscal year (¥116.49/US\$ as of December 31, 2016).

3. Consolidated business outlook for FY2016 (April 1, 2016, to March 31, 2017)

In comparison with the outlook announced on January 31, 2017, the extraordinary loss will be greater, as described in 2. above. On the other hand, operating income/loss and ordinary income/loss show signs of improvement due mainly to a currently improving spot freight market in the containership business.

The Company will announce the full-year consolidated financial results for FY2016 on April 28 after the scrutiny process.

[REFERENCE PURPOSE ONLY]

This document has been translated from the Japanese original for reference purposes only.

In case of any discrepancy or inconsistency between this document and the Japanese original, the latter shall prevail.