



SINCE 1884  
**130th**  
Anniversary

# **Business Performance** **in** **FY2014 - 1<sup>st</sup> Quarter**

*Mitsui O.S.K. Lines, Ltd.*  
*July 31, 2014*

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[Supplement]

# FY2014 1<sup>st</sup> Quarter Results [Consolidated]

(billion yen)	FY2014 1Q Result	FY2013 1Q Result	Increase/ decrease	FY2013 4Q Result
Revenue	444	412	+32	454
Operating income/loss	4	11	- 8	11
Ordinary income/loss	8	15	- 8	18
Net income/loss	9	13	- 4	28
Average exchange rate	¥101.94/\$	¥98.81/\$	+¥3.13/\$	¥103.29/\$
Average bunker price	\$611/MT	\$606/MT	+\$5/MT	\$609/MT

■ Results Comparison FY2014-1Q vs FY2013-1Q Major factors affected Ordinary income

Fluctuation of Foreign Exchange	+¥1.6 bil.	1Q14 ¥101.94/\$; +¥3.13/\$
Fluctuation of Bunker Price	-¥0.3 bil.	1Q14 \$611/MT; +\$5/MT
Fluctuation of cargo volume/freight rates, etc.	-¥16.7 bil.	
Cost Reduction	+¥5.6 bil.	
Equity in earnings of affiliated companies	+¥2.1 bil.	
(Balance)	-¥7.7 bil.	

FY	April	-	March
1Q	April	-	June
2Q	July	-	September
3Q	October	-	December
4Q	January	-	March

[By segment]

	Upper	Revenue		
	Lower	Ordinary income/loss		
(billion yen)	FY2014	FY2013	Increase/ decrease	FY2013
	1Q Result	1Q Result		4Q Result
<b>Bulkships</b>	<b>213</b> <b>11</b>	<b>194</b> <b>13</b>	<b>+19</b> <b>-2</b>	<b>228</b> <b>19</b>
<b>Containerships</b>	<b>187</b> <b>-7</b>	<b>175</b> <b>-1</b>	<b>+13</b> <b>-6</b>	<b>181</b> <b>-4</b>
<b>Ferry&amp; domestic transport</b>	<b>14</b> <b>1</b>	<b>13</b> <b>0</b>	<b>0</b> <b>+1</b>	<b>14</b> <b>0</b>
<b>Associated businesses</b>	<b>28</b> <b>3</b>	<b>28</b> <b>3</b>	<b>0</b> <b>0</b>	<b>30</b> <b>2</b>
<b>Others</b>	<b>2</b> <b>1</b>	<b>2</b> <b>2</b>	<b>0</b> <b>-1</b>	<b>2</b> <b>0</b>
<b>Adjustment</b>	<b>-</b> <b>-1</b>	<b>-</b> <b>-1</b>	<b>-</b> <b>0</b>	<b>-</b> <b>-1</b>
<b>Consolidated</b>	<b>444</b> <b>8</b>	<b>412</b> <b>15</b>	<b>+32</b> <b>-8</b>	<b>454</b> <b>18</b>

● Revenues from customers, unconsolidated subsidiaries and affiliated companies.

● "Bulkships" consists of Dry bulkers, Tankers, LNG carriers/Offshore business, and Car carriers

● The Associated businesses segment includes the businesses related to real estate, cruise ships, tug boats, trading, and temporary staffing, etc.

# Outline of FY2014 1<sup>st</sup> Quarter Financial Results (I) [Consolidated]

## [Overall]

- ◆ The year started with a downturn from the initial income outlook (announced on April 30).
  - ← Dry bulker markets were below the outlook; Initiatives on unit cost reduction in the containership segment started late; etc.
- ◆ Income decreased year on year.
  - ← Automobile production areas transferred; containership freight rates declined; etc.

## [By segment] [Ordinary income/loss for 1Q FY2014 (year-on-year comparison)]

### Bulkships [¥10.8 billion (-¥1.7 billion)]

#### ■ Dry bulkers:

- Vessels with short-term market rates contracts: The supply-demand balance improved in large-size vessels but worsened in mid- and small-size vessels in year-on-year comparison. Moreover, there was a lag in the recovery of shipments of iron ore from Brazil by large-size vessels.
  - Market year-on-year comparison/outlook comparison = right-hand chart
- Vessels with mid- and long-term transport contracts: Continued to secure stable profits through long-term transport contact vessels (iron ore, coal, woodchip carriers, and so on).

	Jan-Mar	Apr-Jun	
	Year-on-year comparison	Year-on-year comparison	Outlook comparison
Capsize	↑	↑	↓
Panamax	↑	↓	↓
Handymax	↑	↓	↑
Small Handy	↑	↓	↓

⇒ Slight downturn compared the outlook despite increase of income in year-on-year comparison.

#### ■ Tankers:

- Crude oil tankers: The market was weak due to scheduled periodic maintenance at oil refineries in Asia.
  - ⇔ Downsized market exposure during the previous year. → Income improved in a year-on-year comparison, turning to profitability.
- Product tankers: The market worsened in a year-on-year comparison/outlook comparison, increasing deficits.
- LPG carriers: Favorable market boosted profitability.

⇒ Income increased in a year-on-year comparison in line with the outlook. Getting off to a good start toward profitability throughout the year.

## Outline of FY2014 1<sup>st</sup> Quarter Financial Results (II) [Consolidated]

### ■ LNG carriers/Offshore business:

Utilization rate decreased due to drydocking, etc., expenditures for ship crew training.

⇒ Income worsened in year-on-year comparison, posting a slight deficit in 1Q (in line with the outlook).

### ■ Car carriers:

Delay in achieving operational efficiency and bolstering cargo volume on a new route, while establishing services in response to a shift in production areas.

⇒ Income decreased in year-on-year comparison. Below outlook.

### Containerships [-¥7.2 billion (-¥6.1 billion)]

◆ Freight rates: Dropped mainly on the North-South route, resulting in a downturn compared to the outlook.

◆ Cargo volume: Average utilization for all trades was on par in year-on-year comparison, but was down by 1 point compared to the outlook. (Cargo volume was strong on East-West outbound trade but below the outlook on other routes including North-South and Intra-Asia routes.)

◆ Enhancement of cost competitiveness: Below outlook due to delay in expansion of G6 alliance and delay in disposal of mid-size vessels associated with that delay, despite timely deliveries of new large-size vessels as planned. In addition, faster steaming should be adopted on some routes to maintain schedules in response to poorer port operation efficiency.

⇒ Deficits increased in year-on-year comparison. Below outlook.

### Ferry and Domestic Transport [¥0.6 billion (+¥0.6 billion)]

Ferry cargo and passenger volumes both increased. Domestic transport efficiency improved.

### Associated Businesses [¥3.2billion (+¥0.3 billion)]

Stable profits, mainly in the real estate business. Scaled down deficits of the cruise ship business.

[Cost Reduction] Achieved ¥5.6 billion of the full-year target (whole company) of ¥30.0 billion.

# FY2014 Full-year Forecast [Consolidated]

(billion yen)

FY2014	1st Half			1H Forecast as of Apr.30th,2014 (b)	(a)-(b)	2nd Half Forecast (c)	2H Forecast as of Apr.30th,2014 (d)	(c)-(d)	FY2014 Forecast(e)	FY2014 Forecast as of Apr.30th,2014 (f)	(e)-(f)
	1Q Result	2Q Forecast	Forecast (a)								
Revenue	444	456	900	895	+5	930	905	+25	1,830	1,800	+30
Operating income/loss	4	6	10	25	-15	26	29	-3	36	54	-18
Ordinary income/loss	8	8	15	33	-18	35	38	-3	50	70	-20
Net income/loss	9	4	12	32	-20	28	28	0	40	60	-20
Average exchange rate	¥101.94/\$	¥100.00/\$	¥100.97/\$	¥100.00/\$	+¥0.97/\$	¥100.00/\$	¥100.00/\$	¥0.00/\$	¥100.48/\$	¥100.00/\$	+¥0.48/\$
Average bunker price	\$611/MT	\$620/MT	\$615/MT	\$620/MT	-\$5/MT	\$620/MT	\$620/MT	\$0/MT	\$618/MT	\$620/MT	-\$2/MT

## cf. FY2013 Results

(billion yen)

FY2013	1st Half			2nd Half Result	FY2013 Result
	1Q Result	2Q Result	Result		
Revenue	412	433	845	884	1,729
Operating income	11	10	22	19	41
Ordinary income	15	10	26	29	55
Net income	13	8	21	36	57
Average exchange rate	¥98.81/\$	¥97.86/\$	¥98.34/\$	¥101.24/\$	¥99.79/\$
Average bunker price	\$606/MT	\$609/MT	\$608/MT	\$611/MT	\$610/MT

(For reference)

FY2014 Exchange rate sensitivity/9 months

±1.40 bil. ¥/1¥ (9months) (Max)

FY2014 Bunker price sensitivity/9 months

±0.16 bil. ¥/1\$ (9months) (Max)

(Consolidated Ordinary Income Basis)

# [By segment]

	Upper		Revenue										
	Lower	Lower	Ordinary income/loss	Ordinary income/loss									
(billion yen)	FY2014 1st Half			1H Forecast as of Apr.30th,2014 (b)	(a)-(b)	2nd Half Forecast (c)	2H Forecast as of Apr.30th,2014 (d)	(c)-(d)	FY2014 Forecast(e)	FY2014 Forecast as of Apr.30th,2014 (f)	(e)-(f)		
	1Q Result	2Q Forecast	Forecast (a)										
Bulkships	213	208	420	410	+10	440	420	+20	860	830	+30		
	11	4	15	25	-10	27	30	-3	42	55	-13		
Containerships	187	203	390	395	-5	400	395	+5	790	790	0		
	-7	0	-7	0	-7	2	2	-1	-6	2	-8		
Ferry& domestic transport	14	15	29	28	+1	28	28	0	57	56	+1		
	1	1	2	2	+1	2	2	0	4	3	+1		
Associated businesses	28	30	58	58	0	58	58	0	116	116	0		
	3	3	6	6	0	5	5	0	11	11	0		
Others	2	1	3	4	-1	4	4	0	7	8	-1		
	1	0	1	2	-1	2	1	+1	3	2	+1		
Adjustment	-	-	-	-	-	-	-	-	-	-	-		
	-1	-1	-2	-2	-1	-1	-1	0	-3	-3	-1		
Consolidated	444	456	900	895	+5	930	905	+25	1,830	1,800	+30		
	8	8	15	33	-18	35	38	-3	50	70	-20		

● Revenues from customers, unconsolidated subsidiaries and affiliated companies.

● "Bulkships" consists of Dry bulkers, Tankers, LNG carriers/Offshore business, and Car carriers

● The Associated businesses segment includes the businesses related to real estate, cruise ships, tug boats, trading, and temporary staffing, etc.

## cf. FY2013 Results

	Upper		Revenue									
	Lower	Lower	Ordinary income/loss	Ordinary income/loss								
(billion yen)	1st Half			FY2013 2nd Half Result	FY2013 Result							
	1Q Result	2Q Result	Result									
Bulkships	194	206	400	437	836							
	13	11	24	33	57							
Containerships	175	181	356	358	714							
	-1	-3	-4	-11	-15							
Ferry& domestic transport	13	14	28	28	56							
	0	1	1	1	2							
Associated businesses	28	30	58	59	117							
	3	3	6	5	11							
Others	2	2	4	4	7							
	2	0	2	3	5							
Adjustment	-	-	-	-	-							
	-1	-3	-3	-2	-6							
Consolidated	412	433	845	884	1,729							
	15	10	26	29	55							



# Key Points of FY2014 Full-year Forecast (I)

## [Overall]

- ◆ Downward revisions of the first half and full-year forecasts. ← Delay in recovery of the dry bulker market and containership freight rates, etc.
- ◆ Results in the second half will be stronger compared to the first half. ← The tanker and dry bulker markets will recover; containerships will achieve reduction of unit cost.

	[April 30, 2014]		[July 31, 2014]
	1H/2H/Full-year ordinary income		1H/2H/Full-year ordinary income
Bulkships	¥25 / 30 / 55 billion	⇒	¥15 / 27 / 42 billion
Containerships	¥0 / 2 / 2 billion	⇒	¥-7 / 1.5 / -5.5 billion
Total*	¥32.5 / 37.5 / 70 billion	⇒	¥15 / 35 / 50 billion

\* Total including other three segments and adjustments.

- ◆ Continually promote strategic targets of the midterm management plan “STEER FOR 2020”.  
= Accumulate stable profits, downsize market exposure, enhance cost competitiveness, etc.

[By segment] [FY2014 forecast for ordinary income (increase/decrease in ordinary income from the April 30 announcement)]

**Bulkships** ¥42 billion (-¥13 billion)

### ■ Dry bulkers:

- Large-size vessels: Anticipate the market will recover as iron ore exports from Brazil move into full swing.
  - Mid- and small-size vessels: Anticipate the market will improve to a certain level from autumn due to grain shipments from North America. (will not achieve the initial outlook.)
- ⇒ Downward revision of the initial outlook despite anticipation of recovery in 2H. However, steady profits will continue due to stable revenue and the effects of business structural reforms.

		2Q	3Q	4Q
Markets related to MOL (non-consolidated)		Jul-Sep	Oct-Dec	Jan-Mar
Capesize	As of Apr. 30	22,200	35,000	15,000
	As of Jul. 31	20,000	35,000	15,000
Markets related to overseas subsidiaries		Apr-Jun	Jul-Sep	Oct-Dec
Capesize	As of Apr. 30	17,800	22,200	35,000
	As of Jul. 31	12,900	20,000	35,000
Panamax	As of Apr. 30	9,600	14,000	14,000
	As of Jul. 31	6,300	7,000	10,000
Handymax	As of Apr. 30	8,400	14,000	14,000
	As of Jul. 31	9,000	8,000	10,000
Small Handy	As of Apr. 30	8,000	9,000	9,000
	As of Jul. 31	7,400	7,000	9,000

## Key Points of FY2014 Full-year Forecast (II)

### ■ Tankers:

- Anticipate a recovery in the crude oil tanker market toward high-demand season starting in autumn as scheduled, partly backed by increase in long-distance transport from West Africa to China.
- Need to be cautious in light of oversupply in the product tanker capacity, but the LPG carrier market is expected to remain higher than the outlook. ⇒ Anticipate that income will increase in 2H compared to 1H, and post the same level of profitability for the full year as the initial outlook.

### ■ LNG carriers/Offshore business:

Return to profitability as normal due to stable profits from 2Q. Anticipate for almost same level of profitability as the initial outlook.

### ■ Car carriers:

Step up efforts to increase cargo volume in inbound and cross-trade transport; continue working to improve operational efficiency. ⇒ Anticipate improvement in 2H. However, downturn impact in 1H remained, so make downward revision of the initial full-year outlook.

### Containerships [-¥5.5 billion (-¥7.5 billion)]

- ◆ Freight rates: Recovery of freight rates including those on the South-North route is in progress. However, downturn compared to the initial outlook is likely to persist through 2Q.
  - ◆ Cargo volume: Current outbound including the South-North route is almost full. Anticipate utilization rate for the full year will be the same level as the initial outlook.
  - ◆ Enhancement of cost competitiveness: Completion of G6 alliance expansion. Promote launch of large-size vessels and dispose of mid-size vessels as planned. Aim to cut costs in line with initial outlook by recovering from the 1Q downturn through increased adoption of slow steaming.
  - ◆ Container terminals: Full-scale automated operation at the U.S. West Coast terminal is postponed to the autumn.
- ⇒ Downward revision of the full-year forecast. Continually promote “STEER FOR 2020” measures, anticipating turning to profitability from 2Q.

**[Dividend]** Plan to execute ¥6 per share dividend payment for the full-year (interim ¥3 + year-end ¥3). (No change from the initial plan.)

[Supplement]

# Dry Bulker Market (Spot Charter Rate)

## 1. FY2013 (Result)

(US\$/day)

Size	FY2013						Average
	1st Half			2nd Half			
Market for vessels operated by MOL	Apr-Sep, 2013			Oct, 2013 - Mar, 2014			Average
	Apr-Jun	Jul-Sep		Oct-Dec, 2013	Jan-Mar, 2014		
Capesize	6,200	19,000	12,600	27,100	16,200	21,700	17,100
Market for vessels operated by overseas subsidiaries of MOL	Jan-Jun, 2013			Jul-Dec, 2013			Average
	Jan-Mar	Apr-Jun		Jul-Sep	Oct-Dec		
Capesize	6,100	6,200	6,200	19,000	27,100	23,100	14,600
Panamax	7,100	7,800	7,500	8,900	14,100	11,500	9,500
Handymax	8,100	9,300	8,700	9,800	14,000	11,900	10,300
Small handy	6,900	8,000	7,500	7,900	10,000	9,000	8,200

## 2. FY2014 (Result / Forecast)

(US\$/day)

Size	FY2014						Average
	1st Half			2nd Half			
Market for vessels operated by MOL	Apr-Sep, 2014			Oct, 2014 - Mar, 2015			Average
	Apr-Jun	Jul-Sep		Oct-Dec, 2014	Jan-Mar, 2015		
Capesize	12,900	20,000	16,400	35,000	15,000	25,000	20,700
Market for vessels operated by overseas subsidiaries of MOL	Jan-Jun, 2014			Jul-Dec, 2014			Average
	Jan-Mar	Apr-Jun		Jul-Sep	Oct-Dec		
Capesize	16,200	12,900	14,500	20,000	35,000	27,500	21,000
Panamax	10,400	6,300	8,400	7,000	10,000	8,500	8,400
Handymax	11,600	9,000	10,300	8,000	10,000	9,000	9,700
Small handy	10,000	7,400	8,700	7,000	9,000	8,000	8,400

Notes:

- The general market results are shown in black.
- 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.
- 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.
- Market for Capesize= 4TC Average(May 2014~: 5TC), Panamax= 5TC Average, Handymax= 5TC Average, Small handy= 6TC Average.

# Tanker Market (World Scale)

## 1. FY2013 (Result)

Type	WS criteria	FY2013				
		Q1	Q2	Q3	Q4	Full-year
Crude Oil Tanker (VLCC)	Year 2013	<b>37</b>	<b>36</b>	<b>53</b>	<b>48</b>	<b>44</b>
【Arabian Gulf - East】	(Year 2014)	(40)	(38)	(57)	(51)	(47)
Product Tanker (MR)	Year 2013	<b>139</b>	<b>114</b>	<b>116</b>	<b>103</b>	<b>118</b>
【Singapore - Japan】	(Year 2014)	(148)	(121)	(123)	(110)	(126)

## 2. FY2014 (Result / Forecast)

Type	WS criteria	FY2014				
		1st Half		2nd Half	Full-year	
		Q1	Q2			
Crude Oil Tanker (VLCC)	Year 2014	<b>38</b>	<b>46</b>	<b>42</b>	<b>53</b>	<b>48</b>
【Arabian Gulf - East】						
Product Tanker (MR)	Year 2014	<b>112</b>				
【Singapore - Japan】						

Notes;

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

# Car Carriers Loading Volume

## 1. FY2013(Result)

(1,000 units)

(Completed-voyage basis / including voyage charter)	FY2013						
			1st Half			2nd Half	Total Result
	Q1	Q2		Q3	Q4		
<b>Total</b>	<b>957</b>	<b>979</b>	<b>1,936</b>	<b>1,004</b>	<b>952</b>	<b>1,956</b>	<b>3,891</b>

## 2. FY2014(Result/Forecast)

(1,000 units)

(Completed-voyage basis / including voyage charter)	FY2014					
			1st Half	2nd Half		Total
	Q1	Q2				
<b>Total</b>	<b>978</b>	<b>1,013</b>	<b>1,991</b>	<b>2,117</b>	<b>4,109</b>	

*\*The forecasts are shown in blue.*

# Containership Major Trades Utilization / Freight Rate

## 1. Utilization of Asia-North America Trade

(1,000TEU)

		FY2013					FY2014				
		Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Outbound (E/B)	Capacity	167	186	167	153	673	<b>180</b>				
	Lifting	154	181	157	148	640	<b>181</b>				
	Utilization	92%	97%	94%	97%	95%	<b>100%</b>				
Inbound (W/B)	Capacity	164	183	169	152	669	<b>182</b>				
	Lifting	88	82	102	99	371	<b>97</b>				
	Utilization	54%	45%	60%	65%	55%	<b>53%</b>				

## 2. Utilization of Asia-Europe Trade

(1,000TEU)

		FY2013					FY2014				
		Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Outbound (W/B)	Capacity	113	111	108	114	444	<b>122</b>				
	Lifting	98	109	104	110	421	<b>125</b>				
	Utilization	87%	98%	97%	97%	95%	<b>102%</b>				
Inbound (E/B)	Capacity	113	108	112	113	446	<b>120</b>				
	Lifting	75	66	71	72	285	<b>78</b>				
	Utilization	66%	61%	64%	64%	64%	<b>65%</b>				

## 3. Transition of Container Freight Rate (Index: Q1 FY2008=100)

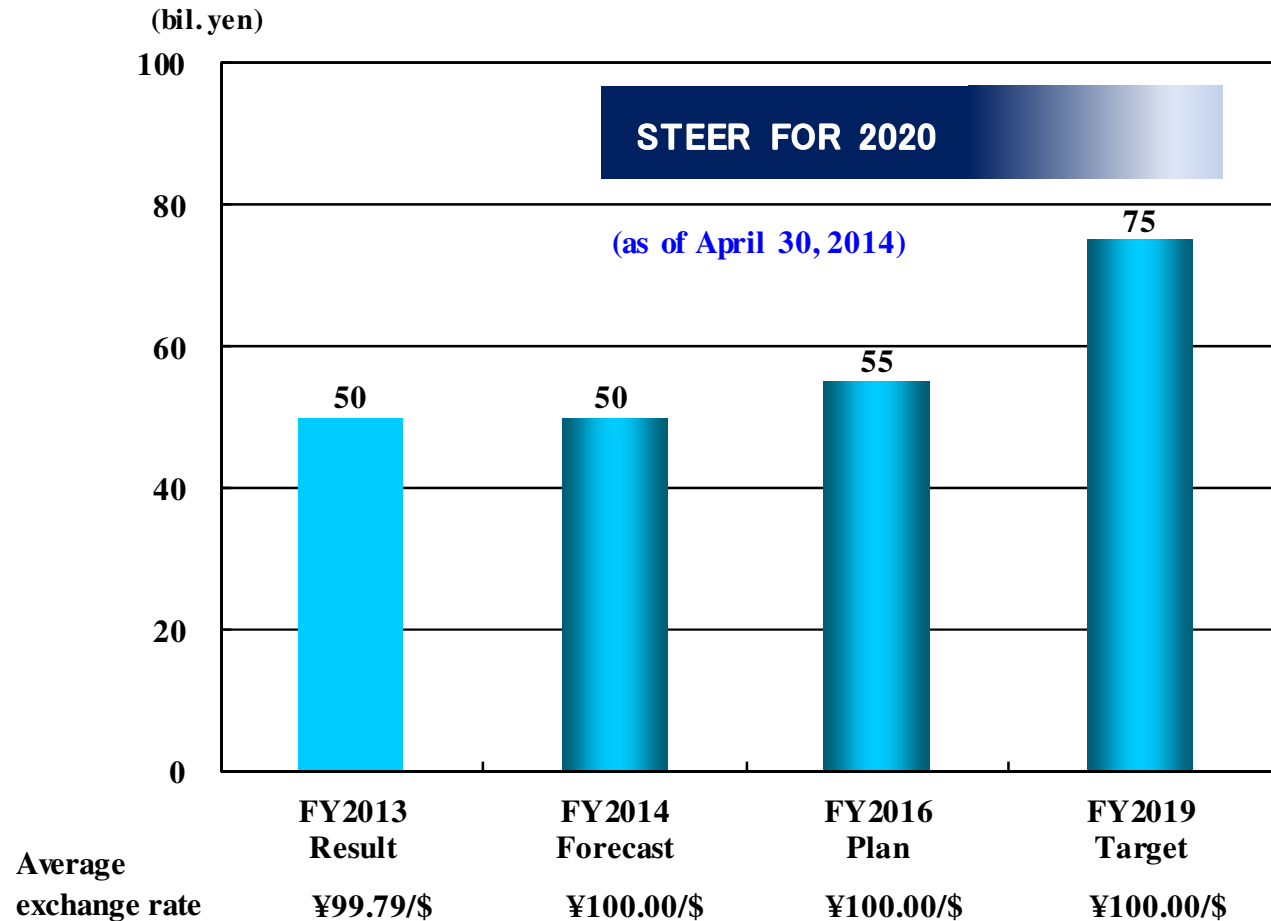
	FY2013					FY2014				
	Q1	Q2	Q3	Q4	Full-year	Q1	Q2	Q3	Q4	Full-year
Freight rate index	85	82	79	80	82	<b>79</b>				
(Ref.) Bunker price (US\$/MT)	606	609	613	609	610	<b>611</b>				

# Fleet Composition(incl. Offshore business)

		At the end of Mar. 2014	At the end of Jun. 2014		At the end of Mar. 2015 <i>(estimation)</i>	
			1,000dwt			
Dry bulker	Bulk carrier	Capesize	107	102	19,472	
		Panamax	38	32	2,708	
		Handymax	67	69	3,819	
		Small Handy	56	55	1,844	
	Heavy lifter	6	6	74		
	Wood chip carrier	42	42	2,246		
	Steaming coal carrier	40	42	3,771		
	General cargo carrier	47	50	841		
	(Sub total)	<b>403</b>	<b>398</b>	<b>34,774</b>	<b>390</b>	
	<b>(Market Exposure)</b>	<b>(190)</b>	<b>(156)</b>	<b>-</b>	<b>(145)</b>	
Tanker	Crude oil tanker	38	37	10,566		
	Product tanker	59	55	3,207		
	Chemical tanker	72	69	1,988		
	LPG tanker	11	9	474		
	(Sub total)	<b>180</b>	<b>170</b>	<b>16,236</b>	<b>171</b>	
	<b>(Market Exposure)</b>	<b>(115)</b>	<b>(107)</b>	<b>-</b>	<b>(108)</b>	
LNG carrier	67	64	4,964	66		
Offshore	FPSO	1	1	-	2	
Car carrier		125	121	1,994	117	
Containership		119	116	6,953	114	
Ferry/Domestic carrier		40	40	163	45	
Cruise ship		1	1	5		
Others		2	2	13		
<b>Total</b>		<b>938</b>	<b>913</b>	<b>65,103</b>	<b>905</b>	

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

# Highly Stable Profits

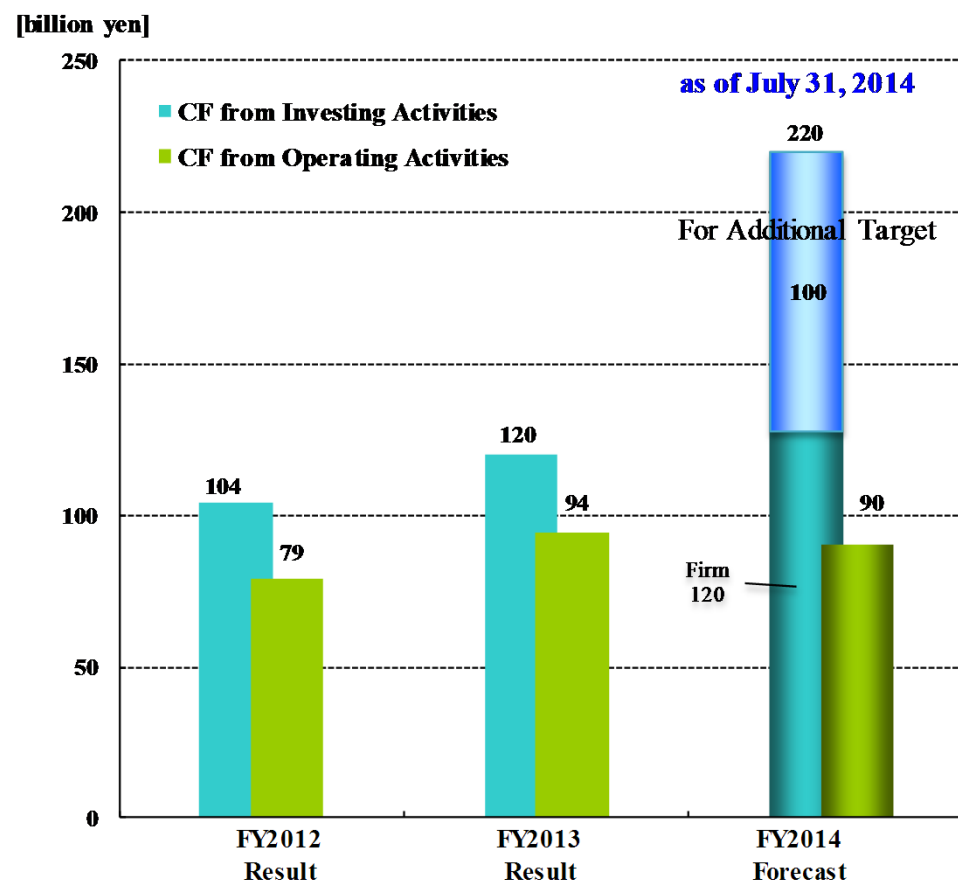


Highly stable profits = Firm profits through middle and long-term contracts and projected profit from highly stable businesses.

(The segments included in "Highly stable profits" are Dry bulker, Tanker, LNG Carrier, Offshore business, Associated business and others.)



# Cash Flows



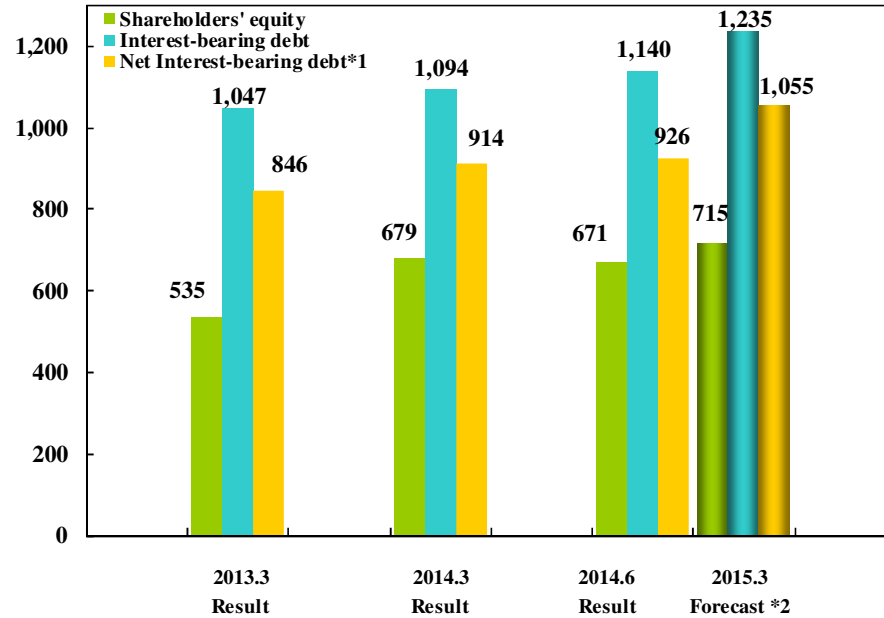
Average exchange rate(¥/\$)	82.31	99.79	100.48
Ordinary income/loss(billion yen)	-29	55	50
Net income/loss(billion yen)	-179	57	40

Note:

- 1) Free Cash Flows(FCF) = "Cash Flows from Operating Activities" - "Cash Flows from Investing Activities"
- 2) Figures taking into account the FCF and Dividend payments correlate with changes of Net Interest-bearing Debt (on the assumption exchange rate has no changes in the period) (cf. The left graph of page 17)

# Financial Plan

[bil. yen]



as of July 31, 2014

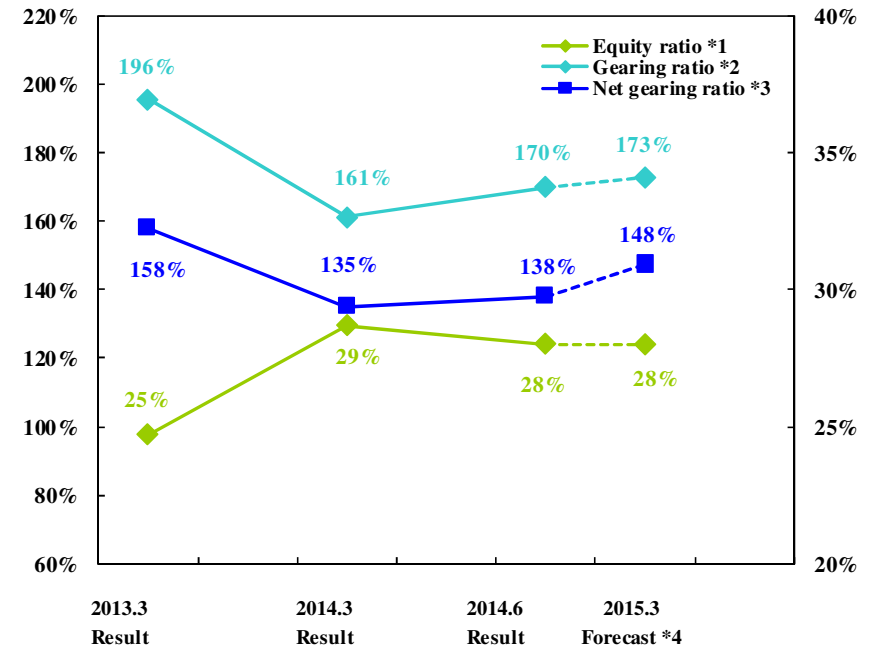
Term-end exchange rate(¥/\$)	2013.3	2014.3	2014.6	2015.3
MOL	94.05	102.92	101.36	100.00
Overseas subsidiaries	86.58	105.39	102.92	100.00

\*1) Net Interest bearing debt = Interest bearing debt - cash and cash equivalents

\*2) Including investment for Additional Target

Gearing ratio/Net gearing ratio

Equity ratio



as of July 31, 2014

\*1) Equity ratio = Shareholders' equity/Total Assets

\*2) Gearing ratio = Interest-bearing debt/Shareholders' equity

\*3) Net gearing ratio

= (Interest bearing debt-cash and cash equivalents)/Shareholders' equity

\*4) Including investment for Additional Target

## Midterm Management Plan “STEER FOR 2020” Profit Targets/Financial Targets

		FY2013 Result	FY2016 (Plan)	FY2019 (Target)
Revenue	[ ¥ bn]	1,729	1,900	2,100
Ordinary income/loss	[ ¥ bn]	55	100	140
(Highly Stable Profits)	[ ¥ bn]	50	55	75
Net income/loss	[ ¥ bn]	57	80	110
ROA*		2.4%	4~5%	
ROE*		9.5%	above 10%	
Equity ratio *		29%	(around FY2019)	35~40%
Net gearing ratio *		135%	(around FY2019)	100%
(Assumption)				
Exchange rate	JPY/US\$	99.79	100	100
Bunker price	US\$/MT	610	620	620
Market level	Assuming not so much improvements in and after FY2014			

\*ROA = Ordinary income/Average Total assets at the beginning and the end of the fiscal year

\*ROE = Net income/Average Shareholders' equity at the beginning and the end of the fiscal year

\*Equity ratio = Shareholders' equity/Total assets

\*Net gearing ratio = (Interest bearing debt-cash and cash equivalents)/Shareholders' equity