

Mitsui O.S.K. Lines, Ltd.

Financial Highlights: The Second Quarter Ended September 30, 2015

1. Consolidated Financial Highlights (from April 1, 2015 to September 30, 2015)

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

(1) Operating Results

	(¥ Million)		(US\$ Thousand)
	Q2/FY2015	Q2/FY2014	Q2/FY2015
Revenues	904,684	890,158	7,541,547
Operating Income	8,185	4,227	68,231
Ordinary Income	27,799	14,561	231,736
Profit (Loss) Attributable to Owners of Parent	(241)	11,520	(2,009)
	(¥)		(US\$)
Net Income (Loss) per share	(0.20)	9.63	(0.002)
Diluted Net Income per share	-	9.04	-

(2) Financial Position

	(¥ Million)		(US\$ Thousand)
	Q2/FY2015	FY2014	Q2/FY2015
Total Assets	2,514,167	2,624,049	20,958,378
Total Net Assets	873,900	892,435	7,284,928
Shareholders' Equity / Total Assets	30.5%	29.8%	
	(¥)		(US\$)
Shareholders' Equity per share	642.12	654.26	5.353

* Shareholders' Equity is defined as follows:

Shareholders' Equity = Total Net Assets - (Share subscription rights + Non-controlling interests)

2. Dividends

	(¥)				
	Dividend per share				
	Q1	Q2	Q3	Year end	Total
FY2014	-	3.00	-	4.00	7.00
FY2015	-	3.50			
FY2015 (Forecast)			-	1.50	5.00

3. Forecast for the Fiscal Year Ending March 31, 2016

	(¥ Million)	(US\$ Thousand)
	FY2015	FY2015
Revenues	1,758,000	14,539,740
Operating Income	5,000	41,353
Ordinary Income	42,000	347,366
Profit Attributable to Owners of Parent	17,000	140,600
	(¥)	(US\$)
Net Income per share	14.21	0.118

* Underlying assumptions for FY2015 Forecast

Above forecasts are made, assuming the exchange rate and the bunker price for FY2015 will be as follows:

2H/FY2015 (Oct. 1 2015-Mar. 31 2016)

Exchange Rate 1US\$=¥120.00

Bunker Price US\$ 300/MT

FY2015

Exchange Rate 1US\$=¥120.91

Bunker Price US\$ 314/MT

(Translation of foreign currencies)

The Japanese yen amounts for FY2015 have been translated into U.S. dollars using the prevailing exchange rate at September 30, 2015, which was ¥119.96 to U.S. \$1.00, solely for the convenience of readers. (The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.)

4. Business Performance

	Six months		(Billions of Yen)
	From Apr. 1 to Sep. 30, 2014	From Apr. 1 to Sep. 30, 2015	Year-on-year comparison (variance)
Revenue	890.1	904.6	14.5 / 1.6 %
Operating income	4.2	8.1	3.9 / 93.6 %
Ordinary income	14.5	27.7	13.2 / 90.9 %
Profit/Loss attributable to owners of parent	11.5	(0.2)	(11.7)/ - %
Exchange rate (six-month average)	¥102.08/US\$	¥121.82/US\$	¥19.74/US\$
Bunker price (six-month average)	US\$602/MT	US\$328/MT	US\$(274)/MT

In the global economy during the first six months of the fiscal year (FY) 2015 (April 1, 2015 to September 30, 2015), the sense of economic slowdown in emerging countries, such as China, became pronounced, although moderate recoveries continued in the developed countries including the U.S. and the euro zone. In the U.S. economy, moderate growth continued on the back of solid personal consumption trends reflecting improved conditions in the employment and income environments. In Europe, the economy showed a moderate trend of recovery, driven by exports and personal consumption, although exports began showing a weakening trend in the latter half of the period, mostly to the emerging countries. In China, despite a string of economic measures being implemented, such as a lowering of interest rates in response to ever weakening investment in fixed assets, and the renminbi being devalued in August in response to an ongoing slump in exports, the mood of economic slowdown strengthened further. In Japan, the economy felt the effects of the economic slowdown in China and exports and personal consumption were weak, causing economic recovery to stall.

Looking at the maritime shipping market conditions, the dry bulker market remained weak until about June, then an increase of shipment volumes of iron ore for long-distance transport from Brazil hiked the market temporarily over the summer, but later, concerns over the economic slowdown in China strengthened and dry-bulker shipment volumes declined. The very large crude oil carrier (VLCC) market was continuing at a high level, stimulated by growth in actual demand and an increase in the nations' strategic petroleum reserves due to lower crude oil prices. Then, despite a sudden drop in the VLCC market, mainly due to the effect of the low demand period over summer, the market recovered from the start of September. The containership market remained extremely weak on all routes, reflecting the low cargo volumes coming out of Asia.

The average exchange rate of Japanese yen against the U.S. dollar during the first six months depreciated by ¥19.74 year on year to ¥121.82. The average bunker price during the first six months fell by US\$274/MT year on year to US\$328/MT.

In addition, as a result of Daiichi Chuo Kisen Kaisha, an equity-method affiliate of the Company, filing to commence civil rehabilitation proceedings, the Company recorded ¥26.2 billion in loss on valuation of shares of subsidiaries and affiliates as extraordinary loss for the six-month period.

As a result of the above, we recorded revenue of ¥904.6 billion, operating income of ¥8.1 billion, ordinary income of ¥27.7 billion and loss attributable to owners of parent of ¥0.2 billion.

The following is a summary of business conditions including revenue and ordinary income/loss per business segment.

Upper: Revenue, Lower: Segment Income (Loss) (Ordinary Income (Loss)) (Billions of Yen)

	Six months		Year-on-year comparison (variance)		
	From Apr. 1 to Sep. 30, 2014	From Apr. 1 to Sep. 30, 2015			
Bulkships	418.0	436.6	18.6	/	4.5%
	16.5	29.1	12.6	/	76.5%
Containerships	384.9	390.1	5.1	/	1.3%
	(10.8)	(9.1)	1.6	/	—%
Ferry and Domestic Transport	28.4	25.9	(2.4)	/	(8.8)%
	2.0	2.4	0.3	/	16.5%
Associated Businesses	78.2	65.0	(13.2)	/	(16.9)%
	6.1	4.3	(1.8)	/	(30.1)%
Others	7.1	6.4	(0.6)	/	(9.6)%
	2.1	1.6	(0.4)	/	(23.5)%

(Note) Revenue includes internal sales or transfers among segments.

(A) Bulkships

<Dry Bulkers>

The Capesize bulker market remained at the weak level of US\$5,000 per day on average until June. However, there was a slight reduction in the number of vessels in the whole industry from the previous period owing to the ongoing scrapping of vessels in response to weakness of the market, and the shipment volumes of iron ore from Western Australia maintained a solid trend. In addition, there was a rise in shipment volumes of iron ore for long-distance transport from Brazil in and after June, leading to a positive turnaround. The market rose to as high as the level of US\$20,000 per day in August. Later, however, the market began weakening again due to heightened concerns over the economic slowdown in China. The markets for Panamax on down, mid- and small-sized vessels, were weak as the oversupply of vessels remained unresolved.

Under such a market environment, we worked to secure stable profits from long-term contracts for carriers of iron ore, woodchips, steaming coal and others, and made efforts for continuous cost-cutting and, in addition, strengthen marketing in growing regions such as India. As a result of these efforts, although ordinary income in the dry bulker division significantly deteriorated year on year, a certain degree of income was secured.

<Tankers/LNG Carriers>

The very large crude oil carrier (VLCC) market was strong up until the end of July as the ocean transport was stimulated by growth in actual demand and an increase in the nations' strategic petroleum reserves due to lower crude oil prices. From August onward, however, a correction from the surge in the market was

compounded by the effect of the low demand period, and a sharp weakening of the market ensued. But the market began to recover at the beginning of September as it moved toward the winter demand period. In the product tanker market, up to around May there was a temporary slump in cargo volume reflecting the impact of scheduled periodic repairs at oil refineries in South Korea and China. Despite this, the market was firm overall, owing to a tighter balance between vessel supply and demand, mainly reflecting not only lower crude oil prices and expansion of production at oil refineries in the Middle East, but also increased gasoline demand for the summer North American drive season. The LPG carrier market was firm overall mainly on the back of an increase in cargo volumes resulting from an LPG export terminal in the U.S. becoming newly operational and an increase in demand for transportation to India. Owing to the above market situation and our ceaseless efforts to improve operation efficiency by setting up pools with other operators and to cut costs, the tanker division posted a considerable year-on-year increase in ordinary income.

In the LNG carrier market, amid stagnation in launches of new projects and an oversupply due to deliveries of new vessels, the summer demand period was unable to absorb this and the short- and medium-term charter markets remained weak. Despite such an environment, the LNG carrier division continued to secure stable profits through long-term transport contracts, leading to a year-on-year improvement in ordinary income/loss.

<Car Carriers>

In the car carrier division, transportation of completed cars to some emerging countries and some resource-producing countries, which were experiencing economic slowdown mainly due to a drop in the price of crude oil, weakened. Meanwhile, ordinary income in the car carrier division remained roughly level year on year as a result of not only firm transportation to the U.S., where economic conditions continued to be strong, but also efforts to improve operation efficiency in response to changes in trade patterns.

(B) Containerships

On Trans-Pacific routes, although cargo volumes from Asia were firm, the freight market fell. On Asia-Europe and Asia-South America routes, cargo volumes from Asia weakened and despite efforts to reduce the supply space by reducing vessels, the gap between supply and demand could not be reduced and the freight market deteriorated. The freight markets on Intra-Asia routes also slumped as the cargo volumes were weak. Although the bunker price fell and the division's ordinary loss improved year on year as a result of our efforts to cut operation costs by rationalization of routes and implementing slow steaming under this business environment, a loss was recorded.

(C) Ferry and Domestic Transport

In the ferry business, a fire incident occurred on the vehicle deck of the MOL Ferry Co., Ltd. "Sunflower

Daisetsu” vessel travelling on the Oarai–Tomakomai route at the end of July. Although the out-of-operation vessel is scheduled for an early return to operation, our transportation volumes of passengers and cargo decreased for the same route as a result. However, on the other routes, cargo volumes were firm reflecting the continuation of a modal shift. In the domestic transport business, cargo volume for steel materials has remained weak mainly reflecting the impact of inventory adjustments. As a result, although revenue from the ferry and domestic transport businesses overall decreased year on year, a fall in the bunker price and other factors led to a year-on-year increase in ordinary income.

(D) Associated Businesses

In the cruise ship business, the number of passengers on the Nippon Maru continued to be firm, resulting in a year-on-year improvement in ordinary income/loss. In the real estate business, Daibiru Corporation, the core company in the MOL Group’s real estate business, maintained stable sales, while the office leasing market, centered on the Tokyo metropolitan area, continued a trend of improvement. However, ordinary income decreased year on year due mainly to an increase in temporary costs associated with Shin-Daibiru which was completed in March 2015. Although business performance for tugboat business, etc. showed firm performances overall, sales from the trading businesses reduced due to the drop in bunker prices, and profitability deteriorated in some parts of the civil engineering business. Consequently, ordinary income of the associated businesses segment decreased on a year-on-year basis.

(E) Others

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

5. Financial Position

Total assets as of September 30, 2015 decreased by 109.8 billion yen compared to the balance as of the end of the previous fiscal year, to 2,514.1 billion yen. This was primarily due to the decrease in Trade receivables and Investment securities.

Total liabilities as of September 30, 2015 decreased by 91.3 billion yen compared to the balance as of the end of the previous fiscal year, to 1,640.2 billion yen. This was primarily due to the decrease in Trade payables and Bonds.

Total net assets as of September 30, 2015 decreased by 18.5 billion yen compared to the balance as of the end of the previous fiscal year, to 873.9 billion yen. This was primarily due to the decrease in Unrealized holding gains on available-for-sale securities, net of tax.

As a result, shareholders’ equity ratio increased by 0.7% compared to the ratio as of the end of the previous fiscal year, to 30.5%.

6. Outlook for FY2015

For FY2015

(Billions of Yen)

	Previous outlook (When announced Q1)	Latest outlook (When announced Q2)	Comparison (variance)
Revenue	1,806.0	1,758.0	(480) / (2.7)%
Operating income	24.0	5.0	(190) / (79.2)%
Ordinary income	60.0	42.0	(180) / (30.0)%
Profit attributable to owners of parent	43.0	17.0	(260) / (60.5)%

Exchange rate	¥122.00/US\$	¥120.00/US\$	¥(2.00)/US\$
Bunker price	US\$350/MT	US\$300/MT	US\$(50)/MT
	(Assumption for the second half of FY2015)	(Assumption for the second half of FY2015)	

For the global economy in the third quarter and after, we assume that moderate economic recovery will continue in the economies of the developed countries, mainly North America and Europe. For the emerging countries, however, there is growing uncertainty regarding the future as a result of the effect of the economic slowdown in China and concerns about an acceleration of an outflow of funds from various countries in response to a lift in U.S. interest rates. In the dry bulker market, we expect an increase in cargo volumes up to the latter half of the year caused by seasonal factors and a moderate improvement in the balance of supply and demand. With respect to the very large crude oil carrier (VLCC) market, we expect the market to be strong with lower crude oil prices and the increased demand over winter underpinning ocean cargo volumes. With respect to the product tanker market, although periodic repairs at Japanese and South Korean oil refineries and a reduction in petroleum product imports in West African countries are expected to exert downward pressure on the market, we expect the market to gradually recover because it is entering the winter demand period. With respect to containerships, because the prospects for a recovery in global cargo volumes remain uncertain and the freight market is soft, we expect the harsh business environment to continue. Although we will strive to improve financial performance by various cost reduction measures such as further rationalization of routes, cancelling some sailings during periods of low demand, and implementation of slow steaming, and by working to capture highly profitable cargo, among other measures, we forecast that the operating deficit will increase year on year.

In consideration of these prospects, for the full year, we project revenue of ¥1,758.0 billion, operating income of ¥5.0 billion, ordinary income of ¥42.0 billion and profit attributable to owners of parent of ¥17.0 billion.

At present, we plan to pay an annual dividend of ¥5 per share for FY2015 and we will pay an interim dividend. The amount of the interim dividend for FY2015 was set at ¥3.5 per share by resolution of the Board of Directors at a meeting held on October 30, 2015.

As indicated above, changes have been made to the outlook released on July 31, 2015. Please refer to the announcement “Differences between the Financial Outlook and Financial Results for the First Half of

FY2015, Revision of Full-year Forecasts, and Revision of Year-end Dividend” released today (October 30, 2015).

9. Consolidated Financial Statements

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

(1) Consolidated Balance Sheets

(¥Million)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	86,622	91,058
Trade receivables	178,844	161,958
Marketable securities	45,000	30,000
Inventories	49,025	39,522
Deferred and prepaid expenses	75,937	72,087
Deferred tax assets	2,106	2,101
Other current assets	75,796	73,421
Allowance for doubtful accounts	(1,537)	(1,144)
Total Current Assets	511,795	469,006
Fixed assets		
Tangible fixed assets		
Vessels	906,983	904,341
Buildings and structures	165,930	163,086
Equipment and others	21,387	19,083
Furniture and fixtures	5,927	5,501
Land	221,993	221,952
Construction in progress	173,279	173,645
Other tangible fixed assets	2,526	2,453
Total Tangible Fixed Assets	1,498,028	1,490,063
Intangible fixed assets	37,068	38,245
Investments and other assets		
Investment securities	268,811	229,407
Long-term loans receivable	74,958	61,260
Long-term prepaid expenses	3,692	3,559
Net defined benefit assets	24,063	23,660
Deferred tax assets	3,954	4,213
Other long-term assets	203,182	196,755
Allowance for doubtful accounts	(1,504)	(2,004)
Total Investments and Other Assets	577,157	516,852
Total Fixed Assets	2,112,254	2,045,161
Total Assets	2,624,049	2,514,167

(¥Million)

	As of March 31, 2015	As of September 30, 2015
Liabilities		
Current liabilities		
Trade payables	167,001	147,108
Short-term bonds	15,000	25,000
Short-term bank loans	179,388	164,379
Accrued income taxes	7,638	6,562
Advances received	36,280	30,330
Deferred tax liabilities	592	422
Allowance for bonuses	4,763	4,025
Allowance for directors' bonuses	241	87
Commercial paper	5,500	2,500
Other current liabilities	88,940	69,401
Total Current Liabilities	505,346	449,819
Fixed liabilities		
Bonds	270,185	245,080
Long-term bank loans	688,331	692,179
Lease obligations	22,928	22,753
Deferred tax liabilities	109,042	103,037
Directors' and corporate auditors' retirement benefits	1,803	1,424
Reserve for periodic drydocking	15,802	15,241
Net defined benefit liabilities	13,659	13,727
Other fixed liabilities	104,513	97,003
Total Fixed Liabilities	1,226,267	1,190,447
Total Liabilities	1,731,614	1,640,266
Net Assets		
Owners' equity		
Common stock	65,400	65,400
Capital surplus	44,468	45,388
Retained earnings	533,484	528,585
Treasury stock	(6,823)	(6,802)
Total Owners' Equity	636,530	632,572
Accumulated other comprehensive income		
Unrealized holding gains on available-for-sale securities, net of tax	44,260	33,240
Unrealized gains on hedging derivatives, net of tax	68,769	66,003
Foreign currency translation adjustments	27,673	31,282
Remeasurements of defined benefit plans, net of tax	5,322	4,942
Total Accumulated Other Comprehensive Income	146,026	135,468
Share subscription rights	2,553	2,693
Non-controlling interests	107,324	103,166
Total Net Assets	892,435	873,900
Total Liabilities and Net Assets	2,624,049	2,514,167

(2) Consolidated Statements of Income

(¥Million)

	FY2014 (Apr.1, 2014 - Sep.30, 2014)	FY2015 (Apr.1, 2015 - Sep.30, 2015)
Shipping and other revenues	890,158	904,684
Shipping and other expenses	831,699	838,355
Gross Operating Income	58,459	66,329
Selling, general and administrative expenses	54,232	58,143
Operating Income	4,227	8,185
Non-operating income:		
Interest income	1,218	2,029
Dividend income	3,737	3,106
Equity in earnings of affiliated companies	728	4,364
Foreign exchange gains	7,736	13,712
Others	4,043	4,310
Total	17,465	27,523
Non-operating expenses:		
Interest expense	5,946	7,035
Others	1,184	873
Total	7,130	7,909
Ordinary Income	14,561	27,799
Extraordinary income:		
Gain on sale of fixed assets	9,323	7,425
Cancellation fee for chartered ships	101	4,295
Others	888	1,263
Total	10,313	12,984
Extraordinary loss:		
Loss on sale of fixed assets	816	239
Loss on valuation of shares of subsidiaries and associates	—	26,228
Others	4,174	5,710
Total	4,990	32,177
Income Before Income Taxes and Non-Controlling Interests	19,884	8,607
Income taxes	6,034	6,987
Net Income	13,849	1,619
Profit attributable to non-controlling interests	2,329	1,860
Profit (Loss) Attributable to Owners of Parent	11,520	(241)

(3) Consolidated Statements of Comprehensive Income

(¥Million)

	FY2014 (Apr.1, 2014 - Sep.30, 2014)	FY2015 (Apr.1, 2015 - Sep.30, 2015)
Net Income	13,849	1,619
Other Comprehensive Income		
Unrealized holding gains on available-for-sale securities, net of tax	5,236	(11,669)
Unrealized gains on hedging derivatives, net of tax	9,795	(4,846)
Foreign currency translation adjustments	(13,252)	1,841
Remeasurements of defined benefit plans, net of tax	(243)	(379)
Share of other comprehensive income (loss) of associates accounted for using equity method	(7,984)	3,705
Total	(6,449)	(11,349)
Comprehensive Income	7,399	(9,730)
(Breakdown)		
Comprehensive income attributable to owners of parent	6,059	(10,798)
Comprehensive income attributable to non-controlling interests	1,340	1,068

(4) Consolidated Statements of Cash flows

(¥Million)

	FY2014 (Apr.1, 2014 - Sep.30, 2014)	FY2015 (Apr.1, 2015 - Sep.30, 2015)
Cash flows from operating activities:		
Income before income taxes and non-controlling interests	19,884	8,607
Depreciation and amortization	40,904	46,074
Equity in (earnings) losses of affiliated companies	(728)	(4,364)
Various provisions (reversals)	(439)	(1,795)
Decrease (increase) on net defined benefit assets	(759)	(188)
Increase (decrease) on net defined benefit liabilities	(99)	17
Interest and dividend income	(4,955)	(5,135)
Interest expense	5,946	7,035
Loss (gain) on sale and retirement of vessels, property and equipment	(7,245)	(7,145)
Loss on valuation of shares of subsidiaries and associates	—	26,228
Foreign exchange loss (gain), net	(4,593)	(13,787)
Changes in operating assets and liabilities		
— Trade receivables	(8,377)	16,848
— Inventories	2,014	9,675
— Trade payables	4,373	(19,942)
Others, net	(13,309)	(4,514)
Sub total	32,613	57,611
Interest and dividend income received	6,086	6,338
Interest expenses paid	(7,018)	(6,790)
Income taxes paid	(9,391)	(7,663)
Net cash provided by operating activities	22,289	49,496
Cash flows from investing activities:		
Purchase of investment securities	(7,595)	(1,484)
Proceeds from sale and redemption of investment securities	46	3
Purchase of vessels and other tangible and intangible fixed assets	(61,846)	(66,114)
Proceeds from sale of vessels and other tangible and intangible fixed assets	35,878	43,057
Net decrease (increase) in short-term loans receivable	(324)	1,061
Disbursements for long-term loans receivable	(22,153)	(23,402)
Collections of long-term loans receivable	3,274	38,669
Others, net	872	245
Net cash used in investing activities	(51,847)	(7,963)
Cash flows from financing activities:		
Net increase (decrease) in short-term bank loans	4,088	5,958
Net increase (decrease) in commercial paper	1,500	(3,000)
Proceeds from long-term bank loans	45,289	62,463
Repayments of long-term bank loans	(91,954)	(93,610)
Proceeds from issuance of bonds	80,280	—
Redemption of bonds	(30,000)	(15,000)
Purchase of treasury stock	(25)	(23)
Sale of treasury stock	36	18
Cash dividends paid by the company	(3,590)	(4,748)
Cash dividends paid to non-controlling interests	(2,213)	(600)
Others, net	(704)	(4,617)
Net cash provided by (used in) financing activities	2,706	(53,159)
Effect of foreign exchange rate changes on cash and cash equivalents	(254)	(148)
Net increase (decrease) in cash and cash equivalents	(27,106)	(11,774)
Cash and cash equivalents at beginning of year	180,125	128,801
Net cash increase from new consolidation/de-consolidation of subsidiaries	810	—
Cash and cash equivalents at end of quarter	153,830	117,027

(5) Segment Information

Business segment information:

(¥Million)

Q2 / FY2014 (Apr.1 - Sep.30, 2014)	Reportable Segment					Others *1	Total	Adjust- ment *2	Consoli- dated *4
	Bulk- ships	Container - ships	Ferry & Domestic Transport	Associated Businesses	Sub Total				
Revenues									
1.Revenues from external customers	417,816	383,571	28,262	56,460	886,110	4,047	890,158	—	890,158
2.Inter-segment revenues	222	1,427	170	21,804	23,625	3,126	26,751	(26,751)	—
Total Revenues	418,038	384,999	28,433	78,265	909,736	7,173	916,909	(26,751)	890,158
Segment income (loss)	16,503	(10,870)	2,094	6,181	13,907	2,122	16,030	(1,468)	14,561

(¥Million)

Q2 / FY2015 (Apr.1 - Sep.30, 2015)	Reportable Segment					Others *1	Total	Adjust- ment *3	Consoli- dated *4
	Bulk- ships	Container - ships	Ferry & Domestic Transport	Associated Businesses	Sub Total				
Revenues									
1.Revenues from external customers	436,474	389,149	25,838	49,318	900,782	3,902	904,684	—	904,684
2.Inter-segment revenues	200	1,030	97	15,685	17,012	2,580	19,593	(19,593)	—
Total Revenues	436,675	390,179	25,936	65,003	917,794	6,483	924,278	(19,593)	904,684
Segment income (loss)	29,120	(9,179)	2,438	4,323	26,703	1,622	28,325	(525)	27,799

* 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, the financing business and the shipbuilding business.

* 2. Adjustment in Segment income (loss) of -1,468 million yen include the following:
-3,124 million yen of corporate profit which is not allocated to segments, 3,019 million yen of adjustment for management accounting and -1,363 million yen of inter-segment transaction elimination.

* 3. Adjustment in Segment income (loss) of -525 million yen include the following:
-3,534 million yen of corporate profit which is not allocated to segments, 3,556 million yen of adjustment for management accounting and -547 million yen of inter-segment transaction elimination.

* 4. Segment income (loss) corresponds to Ordinary Income in the consolidated statements of income.

[Supplement]

1. Review of Quarterly Results**<FY 2015>**

	Q1	Q2	Q3	Q4
	Apr-Jun, 2015	Jul-Sep, 2015	Oct-Dec, 2015	Jan-Mar, 2016
Revenues [¥ Millions]	449,435	455,249		
Operating income	1,805	6,380		
Ordinary income	10,892	16,907		
Income (loss) before income taxes	16,439	(7,832)		
Profit (loss) attributable to owners of parent	12,783	(13,024)		
Net income(*) (loss) per share [¥]	10.69	(10.89)		
Total Assets [¥ Millions]	2,592,346	2,514,167		
Total Net Assets	890,520	873,900		

(*) Profit attributable to owners of parent

<FY 2014>

	Q1	Q2	Q3	Q4
	Apr-Jun, 2014	Jul-Sep, 2014	Oct-Dec, 2014	Jan-Mar, 2015
Revenues [¥ Millions]	443,913	446,245	454,748	472,163
Operating income	3,959	268	3,323	9,699
Ordinary income	7,543	7,018	15,225	21,544
Income before income taxes	12,299	7,585	18,412	20,036
Profit attributable to owners of parent	8,512	3,008	13,365	17,471
Net income(*) per share [¥]	7.12	2.51	11.18	14.61
Total Assets [¥ Millions]	2,381,797	2,369,638	2,523,644	2,624,049
Total Net Assets	773,579	780,849	825,658	892,435

(*) Profit attributable to owners of parent

2. Depreciation and Amortization

(¥ Millions)

	Six months ended Sep.30, 2014	Six months ended Sep.30, 2015	Increase / Decrease	FY2014
Vessels	32,127	35,218	3,091	68,341
Others	8,776	10,856	2,080	19,462
Total	40,904	46,074	5,170	87,803

3. Interest-bearing Debt

(¥ Millions)

	As of Mar.31, 2015	As of Sep.30, 2015	Increase / Decrease	As of Sep.30, 2014
Bank loans	867,720	856,559	(11,160)	800,419
Bonds	285,185	270,080	(15,105)	279,825
Commercial paper	5,500	2,500	(3,000)	1,500
Others	24,996	24,579	(416)	22,075
Total	1,183,401	1,153,719	(29,682)	1,103,820

4. Fleet Capacity (MOL and consolidated subsidiaries)

	Dry bulkers		Tankers		LNG carriers		Car carriers		Containerships	
	No.of ships	1,000MT	No.of ships	1,000MT	No.of ships	1,000MT	No.of ships	1,000MT	No.of ships	1,000MT
Owned	73	7,025	71	11,299	25	1,790	48	785	17	1,196
Chartered	325	28,047	93	3,660	1	78	74	1,270	86	5,703
Others	-	-	-	-	2	143	-	-	-	-
As of Sep.30, 2015	398	35,073	164	14,959	28	2,011	122	2,056	103	6,899
As of Mar.31, 2015	411	36,217	166	15,077	28	1,991	127	2,105	118	7,401

	Ferries / Domestic carriers(*1)		Passenger ships		Others		Total	
	No.of ships	1,000MT	No.of ships	1,000MT	No.of ships	1,000MT	No.of ships	1,000MT
Owned	16	92	1	5	-	-	251	22,193
Chartered	28	83	-	-	2	13	609	38,854
Others	1	1	-	-	-	-	3	144
As of Sep.30, 2015	45	175	1	5	2	13	863	61,191
As of Mar.31, 2015	43	171	1	5	2	13	896	62,980

(*1)excluding tug boats

5. Exchange Rates

	Six months ended Sep.30, 2014	Six months ended Sep.30, 2015	Change	
Average rates	¥102.08	¥121.82	¥19.74	[19.3%] JPY Depreciated
Term-end rates	¥109.45	¥119.96	¥10.51	[9.6%] JPY Depreciated

(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>

	TTM on Jun/30/2014	TTM on Jun/30/2015	Change	
Term-end rates	¥101.36	¥122.45	¥21.09	[20.8%] JPY Depreciated

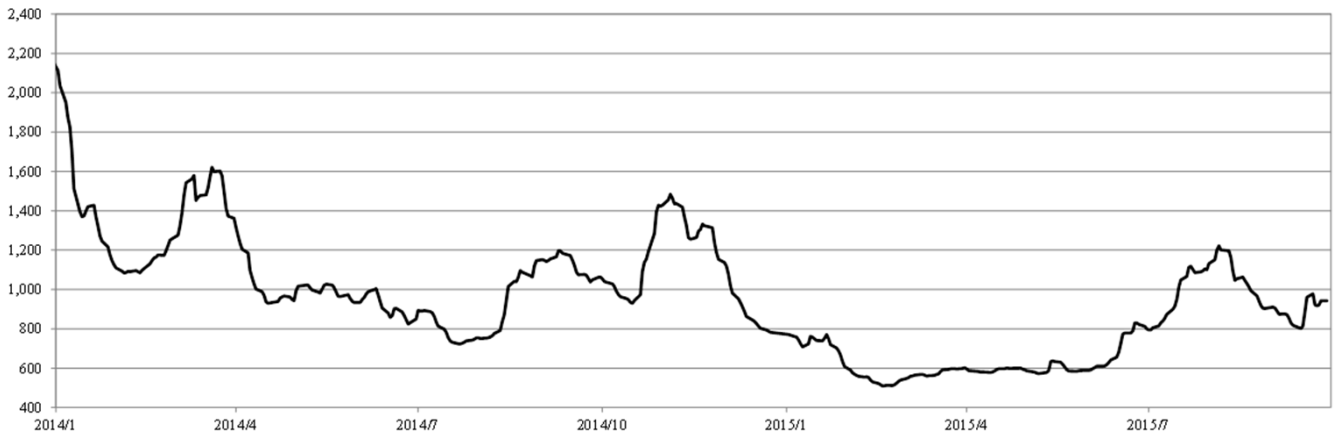
6. Average Bunker Prices

	Six months ended Sep.30, 2014	Six months ended Sep.30, 2015	Increase / Decrease
Purchase Prices	US\$602/MT	US\$328/MT	US\$(274)/MT

7. Market Information

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

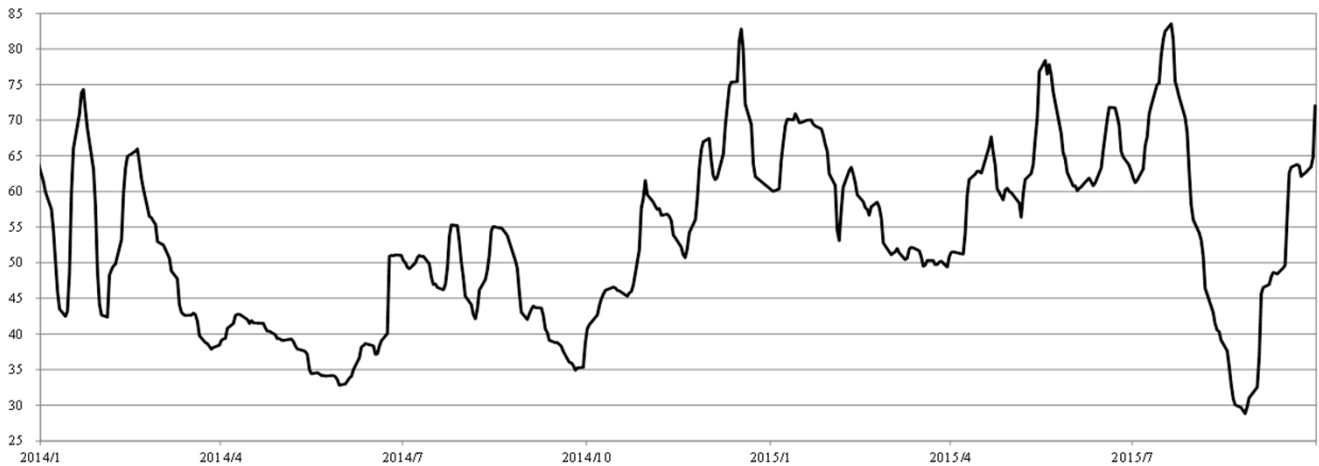
Source : Bloomberg



Monthly Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2014	1,472	1,140	1,484	1,045	991	912	796	937	1,123	1,101	1,332	910	1,104
2015	725	539	576	591	597	699	975	1,066	889				740

(2) Tanker Market (World Scale) : VLCC AG/Japan trade

Source : researched by MOL

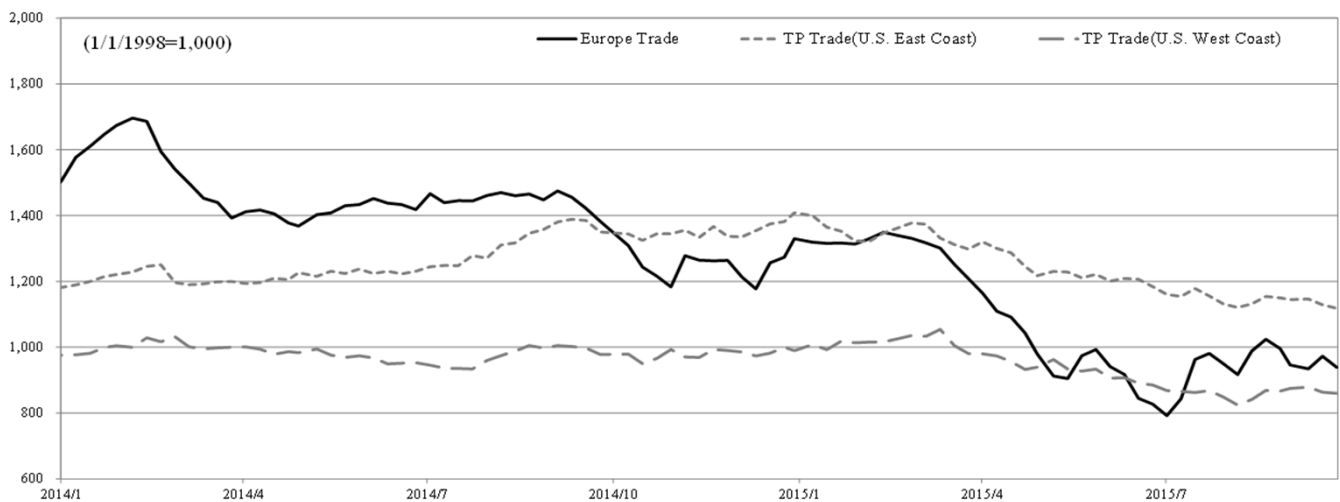


Monthly Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2014	57	57	44	41	36	40	50	49	39	48	57	70	49
2015	68	58	51	60	67	64	71	39	54				59

(Note) WS for 2014 has been translated by the Flat Rate of 2015.

(3) Containership Market (China Containerized Freight Index)

Source : Shanghai Shipping Exchange



(Note) CCFI reflects the freight rate trend for container exports from China only, which does not always match the overall trend for container exports from Asia.