

Mitsui O.S.K. Lines, Ltd.

Financial Highlights: The First Quarter Ended June 30, 2019

1. Consolidated Financial Highlights (from April 1, 2019 to June 30, 2019)

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

(1) Operating Results

| | (¥ Million) | | (US\$ Thousand) |
|---|-------------|-----------|-----------------|
| | Q1/FY2019 | Q1/FY2018 | Q1/FY2019 |
| Revenues | 283,147 | 304,434 | 2,626,839 |
| Operating profit | 6,854 | 3,691 | 63,587 |
| Ordinary profit | 14,007 | 251 | 129,947 |
| Profit (loss) attributable to owners of parent | 12,273 | (1,682) | 113,860 |
| | (¥) | | (US\$) |
| Net income (loss) per share | 102.63 | (14.07) | 0.952 |
| Diluted net income per share | 99.16 | — | — |

(2) Financial Position

| | (¥ Million) | | (US\$ Thousand) |
|--|-------------|-----------|-----------------|
| | Q1/FY2019 | FY2018 | Q1/FY2019 |
| Total assets | 2,082,641 | 2,134,477 | 19,321,282 |
| Total net assets | 639,824 | 651,607 | 5,935,838 |
| Shareholders' equity / Total assets | 24.6% | 24.6% | |
| | (¥) | | (US\$) |
| Shareholders' equity per share | 4,287.67 | 4,390.39 | 39.778 |

* 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 |
| FY2018 | — | 20.00 | — | 25.00 | 45.00 |
| FY2019 | — | — | — | — | — |
| FY2019(Forecast) | — | 30.00 | — | 35.00 | 65.00 |

3. Forecast for the Fiscal Year Ending March 31, 2020

| | (¥ Million) | | (US\$ Thousand) |
|--|-------------|-----------|-----------------|
| | 1H/FY2019 | FY2019 | FY2019 |
| Revenues | 583,000 | 1,173,000 | 10,780,259 |
| Operating profit | 15,000 | 26,000 | 238,949 |
| Ordinary profit | 30,000 | 50,000 | 459,517 |
| Profit attributable to owners of parent | 27,000 | 40,000 | 367,613 |
| | (¥) | (¥) | (US\$) |
| | 1H/FY2019 | FY2019 | FY2019 |
| Net income per share | 225.77 | 334.47 | 3.074 |

* Underlying Assumption for FY2019 Forecast.

The above forecast is made assuming the exchange rate and the bunker price for FY2019 will be as follows.

Q2/FY2019

Exchange Rate 1US\$=¥108.00

Bunker Price US\$ 450/MT

2H/FY2019

Exchange Rate 1US\$=¥108.00

Bunker Price US\$ 420/MT

(Translation of foreign currencies)

The Japanese yen amounts for Q1/FY2019 have been translated into U.S. dollars using the prevailing exchange rate at June 30, 2019, which was ¥107.79 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

(1) Analysis of Operating Results

| [Financial Highlights] | (Billions of Yen) | | |
|---|---|---|--|
| | Q1/FY2018 (From April 1, 2018 to June 30, 2018) | Q1/FY2019 (From April 1, 2019 to June 30, 2019) | Year-on-year comparison (variance) |
| Revenue | 304.4 | 283.1 | (21.2) / (7.0)% |
| Operating profit | 3.6 | 6.8 | 3.1 / 85.7% |
| Ordinary profit | 0.2 | 14.0 | 13.7 / 5,472.7% |
| Profit attributable to owners of parent | (1.6) | 12.2 | 13.9 / - % |
| Exchange rate | ¥107.95/US\$ | ¥111.22/US\$ | ¥3.27/US\$ |
| Bunker price* | US\$438/MT | US\$441/MT | US\$3/MT |

*HSFO (High Sulfur Fuel Oil)

The average exchange rate of Japanese yen against the U.S. dollar during the first three months depreciated by ¥3.27 year on year to ¥111.22. The average bunker price during the same period rose by US\$3/MT year on year to US\$441/MT.

As a result of the above, we recorded revenue of ¥283.1 billion, an operating profit of ¥6.8 billion, an ordinary profit of ¥14.0 billion and profit attributable to owners of parent of ¥12.2 billion.

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

| Upper: Revenue, Lower: Segment Profit (Loss) (Ordinary Profit (Loss)) | | (Billions of Yen) | |
|---|---|---|--|
| | Q1/FY2018 (From April 1, 2018 to June 30, 2018) | Q1/FY2019 (From April 1, 2019 to June 30, 2019) | Year-on-year comparison (variance) |
| Dry Bulk Business | 66.0 | 67.2 | 1.2 / 1.9% |
| | 3.8 | 2.4 | (1.4) / (37.5)% |
| Energy Transport Business | 66.6 | 71.1 | 4.4 / 6.7% |
| | 3.1 | 6.0 | 2.8 / 91.4% |
| Product Transport Business | 145.5 | 119.5 | (26.0) / 17.9% |
| | (5.6) | 2.7 | 8.4 / -% |
| Containerships | 82.9 | 58.6 | (24.3) / (29.3)% |
| | (4.7) | 1.7 | 6.4 / -% |
| Associated Businesses | 32.1 | 30.2 | (1.9) / (6.0)% |
| | 3.3 | 3.6 | 0.2 / 8.6% |
| Others | 5.3 | 5.4 | 0.1 / 3.0% |
| | 0.6 | 0.8 | 0.2 / 33.4% |

Note: Revenue includes internal sales or transfers among segments

(A) Dry Bulk Business

In the Capesize bulker market, the market rate initially weakened to the middle of the US\$3,000 range per day, mainly reflecting decreased shipments as a result of the collapse of a mining dam in Brazil. However, shipments of iron ore from Canada, South Africa and Western Australia as an alternative increased and, after mid-April, the market rate remained on a recovery trend, albeit at a low level. Because the expected resumption of operations at mines in southern Brazil was reported in June, the market rate returned to the US\$19,000 range per day by the end of the month. The Panamax market gradually recovered during the first half of the first quarter, driven by grain shipments from South America. The rate then started to fall in early June but generally hovered at around US\$10,000 per day during the first quarter. Under such market conditions, the dry bulk business stably fulfilled long-term contracts for iron ore carriers, wood chip carriers and other vessels, also steadily implemented contract extensions and recorded an ordinary profit, albeit slightly lower year on year.

(B) Energy Transport Business

<Tankers>

The very large crude oil carrier (VLCC) market saw a sudden rise in the market rate caused by the increasing instability in the Strait of Hormuz. However, overall, vessel supply-demand dynamics remained in an adjustment phase, reflecting a seasonal decrease in oil demand at the beginning of spring and regular maintenance of refineries in the Far East region. The product tanker market experienced a phase when cargo shipments from China grew substantially for a time as result of the loosening of China's export quota. However, the rate still struggled to rise due to the large number of newly built vessels and regular maintenance of refineries at the beginning of spring.

Under these conditions, ordinary profit improved year on year thanks to ceaseless efforts to improve operating efficiency through pool operations and cut costs, in addition to the stable fulfillment of long-term contracts and steady implementation of contract extensions.

<LNG Carriers/Offshore business>

The LNG carrier division performed solidly, generating stable profit mainly through long-term charter contracts, including one newly built vessel. The offshore business division also recorded stable profit and posted a year-on-year increase in ordinary profit, reflecting steady operations of existing projects, including FPSO and subsea support vessel projects.

(C) Product Transport Business

<Containerships>

At Ocean Network Express Pte. Ltd. (ONE), the Company's equity-method affiliate, liftings improved significantly year on year mainly as a result of the stabilization of services. For Asia-North America routes, annual contracts were renewed with freight rates agreed at the level anticipated at the beginning of the year, and its effect gradually became evident from May. Spot freight rates also remained firm in the Asia-North America routes, however, the cargo movement was slightly sluggish. For the Asia-Europe routes, although overall demand remained comparatively strong, the market freight rates were weak because growth in supply exceeded demand. In this business environment, profitability was achieved in the first quarter as a result of ONE promoting the optimization of the cargo portfolio and cost reduction while minimizing the fall in capacity utilization rates through the additional reduction of services in both the Asia-North America and the Asia-Europe routes.

<Car Carriers>

The transportation volume of completed cars decreased year on year, especially shipments departing from Europe and bound for Asia, mainly due to tighter emission standards in China. However, ordinary profit improved year on year in the absence of additional expenses incurred to deal with quarantine problems on some routes in the same period a year ago and progress made by the Company in reducing the size of its fleet and rationalizing the allocation of vessels, mainly on routes between countries other than Japan.

<Ferries and Coastal RoRo Ships>

In the business of ferries and coastal RoRo ships, cargo volumes generally maintained a firm tone due to the modal shift caused by truck driver shortages and aging, and workstyle reform in the land transportation industry. However, cargo volumes on the Tokyo-Kyushu route, especially iron frames and building materials departing from Kyushu and bound for Kanto, weakened. The number of passengers increased thanks to the introduction of new ferries into service, activities to promote the concept of casual cruises and additionally the capture of demand during Golden Week. However, because of an increase in operating costs caused by higher fuel costs, the ordinary profit generated by the ferries and coastal RoRo ships division was close to that of a year earlier.

(D) Associated businesses

In the real estate business, ordinary profit increased year on year because of an increase in the revenue of Daibiru Corporation, which is the core company in the Group's real estate business, benefiting from a firm office leasing market centered on the Tokyo metropolitan area.

The cruise ship business posted a year-on-year decrease in ordinary profit mainly due to higher fuel costs. However, the results of other associated businesses such as the tugboat and trading businesses were generally strong, and the ordinary profit of the associated businesses segment as a whole increased year on year.

(E) Others

Other businesses, which are mainly cost centers, include ship operations, ship management, ship chartering and financing. Ordinary profit in this segment was on par with last year.

(2) Outlook for FY2019

(For the first half of FY2019)

(Billions of Yen)

| | Initial outlook (As of April 26, 2019) | Current forecast (As of announcement of Q1 financial results) | Comparison/Variance |
|--|---|---|---------------------|
| Revenue | 595.0 | 583.0 | (12.0) / (2.0)% |
| Operating profit | 13.0 | 15.0 | 2.0 / 15.4% |
| Ordinary profit | 28.0 | 30.0 | 2.0 / 7.1% |
| Profit attributable to owners of parent | 25.0 | 27.0 | 2.0 / 8.0% |

| | | | |
|---------------|--|---------------------|--------------|
| Exchange rate | ¥110.00/US\$ | ¥108.00/US\$ | ¥(2.00)/US\$ |
| Bunker price* | US\$450/MT | US\$450/MT | US\$-/MT |
| | (Assumption for the first half of FY2019) | (Assumption for Q2) | |

(For FY2019)

(Billions of Yen)

| | Initial outlook (As of April 26, 2019) | Current forecast (As of announcement of Q1 financial results) | Comparison/Variance |
|--|---|---|---------------------|
| Revenue | 1,194.0 | 1,173.0 | (21.0) / (1.8)% |
| Operating profit | 26.0 | 26.0 | - / -% |
| Ordinary profit | 50.0 | 50.0 | - / -% |
| Profit attributable to owners of parent | 40.0 | 40.0 | - / -% |

| | | | |
|---------------|-------------------------|---|--------------|
| Exchange rate | ¥110.00/US\$ | ¥108.00/US\$ | ¥(2.00)/US\$ |
| Bunker price* | US\$435/MT | US\$420/MT | US\$(15)/MT |
| | (Assumption for FY2019) | (Assumption for the second half of FY2019) | |

*HSFO (High Sulfur Fuel Oil)

Looking ahead at the dry bulker market in FY2019, we expect charter rates to be better than in the first quarter, especially on the Capesize bulker market, because some vessels are expected to be temporarily taken off the market in the second half for dry-docking to install scrubbers for compliance with SOx regulation from 2020.

As for the VLCC market, looking at the vessel demand side, although OPEC has agreed to extend oil output cuts, an increase in procurement of alternatives such as shale oil from the Atlantic will lead to growth in ton-mile demand itself and this is expected to have a positive impact on rates. Additionally, on the vessel supply side, although the number of newly built ships remains at a high level, increases in the installation of scrubbers and the scrapping of old vessels are expected. Consequently, although the adjustment phase will continue during the second quarter, rates are expected to firm up from the second half.

We expect that the product tanker rates will rise mainly due to an increase in demand for the transportation of gas oil as a result of the introduction of tightened SOx regulations and an increase in demand for heating oil for the winter in addition to a letup in the delivery of new vessels.

Regarding containerships, while demand is likely to decline due to the downside risk of the global economy, mainly in ONE's major routes, which are Asia-North America, Asia-Europe and intra-Asia, we expect that profitability will improve as a result of the continued cargo portfolio optimization and cost reduction. We will also make efforts with the aim of achieving profitability throughout the year through the optimization of products including the commencement of a new pendulum route between the West Coast in North America and northern Europe and the reduction of general and administrative expenses.

In consideration of these prospects, for the first six months of FY2019, we project revenue of ¥583.0 billion, operating profit of ¥15.0 billion, ordinary profit of ¥30.0 billion and profit attributable to owners of parent of ¥27.0 billion.

For the full year, we project revenue of ¥1,173.0 billion, operating profit of ¥26.0 billion, ordinary profit of ¥50.0 billion and profit attributable to owners of parent of ¥40.0 billion.

5. Financial Position

Total assets as of June 30, 2019 decreased by ¥ 51.8 billion compared to the balance as of the end of the previous fiscal year, to ¥ 2,082.6 billion. This was primarily due to the decrease in Cash and deposits.

Total liabilities as of June 30, 2019 decreased by ¥ 40.0 billion compared to the balance as of the end of the previous fiscal year, to ¥ 1,442.8 billion. This was primarily due to the decrease in Bonds.

Total net assets as of June 30, 2019 decreased by ¥ 11.7 billion compared to the balance as of the end of the previous fiscal year, to ¥ 639.8 billion. This was primarily due to the decrease in Unrealized gains on hedging derivatives, net of tax.

As a result, shareholders' equity ratio was maintained at 24.6%, the same ratio as of the end of the previous fiscal years.

6. 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, 2019 | As of June 30, 2019 |
| Assets | | |
| Current assets | | |
| Cash and deposits | 124,505 | 87,788 |
| Trade receivables | 92,160 | 83,506 |
| Marketable securities | 500 | 500 |
| Inventories | 36,445 | 34,165 |
| Deferred and prepaid expenses | 63,413 | 65,735 |
| Other current assets | 70,688 | 72,515 |
| Allowance for doubtful accounts | (253) | (250) |
| Total current assets | 387,460 | 343,961 |
| Fixed assets | | |
| Tangible fixed assets | | |
| Vessels | 715,344 | 718,176 |
| Buildings and structures | 145,229 | 145,011 |
| Equipment and others | 29,345 | 28,815 |
| Furniture and fixtures | 4,523 | 6,350 |
| Land | 222,565 | 228,387 |
| Construction in progress | 73,718 | 68,007 |
| Other tangible fixed assets | 3,182 | 3,622 |
| Total tangible fixed assets | 1,193,910 | 1,198,370 |
| Intangible fixed assets | 28,695 | 28,622 |
| Investments and other assets | | |
| Investment securities | 360,706 | 356,136 |
| Long-term loans receivable | 73,129 | 69,997 |
| Long-term prepaid expenses | 5,698 | 5,455 |
| Net defined benefit asset | 15,764 | 15,859 |
| Deferred tax assets | 3,048 | 2,768 |
| Other investments and other assets | 67,761 | 63,144 |
| Allowance for doubtful accounts | (1,697) | (1,673) |
| Total investments and other assets | 524,411 | 511,687 |
| Total fixed assets | 1,747,017 | 1,738,680 |
| Total assets | 2,134,477 | 2,082,641 |

(¥Million)

| | As of March 31, 2019 | As of June 30, 2019 |
|---|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Trade payables | 81,020 | 69,582 |
| Short-term bonds | 28,500 | 46,558 |
| Short-term bank loans | 187,419 | 183,281 |
| Commercial papers | 40,000 | 48,000 |
| Accrued income taxes | 5,494 | 2,916 |
| Advances received | 35,814 | 36,833 |
| Allowance for bonuses | 4,742 | 3,369 |
| Other current liabilities | 63,657 | 65,441 |
| Total current liabilities | 446,649 | 455,983 |
| Fixed liabilities | | |
| Bonds | 168,198 | 131,000 |
| Long-term bank loans | 665,997 | 662,137 |
| Lease obligations | 14,224 | 15,081 |
| Deferred tax liabilities | 58,123 | 55,201 |
| Net defined benefit liabilities | 11,927 | 9,539 |
| Directors' and corporate auditors' retirement benefits | 1,499 | 1,396 |
| Reserve for periodic drydocking | 18,220 | 16,728 |
| Other fixed liabilities | 98,030 | 95,749 |
| Total fixed liabilities | 1,036,220 | 986,833 |
| Total liabilities | 1,482,870 | 1,442,817 |
| Net assets | | |
| Owners' equity | | |
| Common stock | 65,400 | 65,400 |
| Capital surplus | 45,385 | 45,555 |
| Retained earnings | 329,888 | 334,886 |
| Treasury stock | (6,764) | (6,767) |
| Total owners' equity | 433,909 | 439,074 |
| Accumulated other comprehensive income | | |
| Unrealized holding gains on available-for-sale securities, net of tax | 26,840 | 23,836 |
| Unrealized gains on hedging derivatives, net of tax | 44,391 | 30,990 |
| Foreign currency translation adjustments | 16,197 | 15,461 |
| Remeasurements of defined benefit plans, net of tax | 3,725 | 3,410 |
| Total accumulated other comprehensive income | 91,154 | 73,699 |
| Share subscription rights | 1,803 | 1,581 |
| Non-controlling interests | 124,739 | 125,468 |
| Total net assets | 651,607 | 639,824 |
| Total liabilities and net assets | 2,134,477 | 2,082,641 |

(2) Consolidated Statements of Income

(¥Million)

| | FY2018 (Apr.1.2018 - June.30, 2018) | FY2019 (Apr.1.2019 - June.30, 2019) |
|--|--|--|
| Shipping and other revenues | 304,434 | 283,147 |
| Shipping and other expenses | 272,907 | 253,377 |
| Gross operating income | 31,526 | 29,770 |
| Selling, general and administrative expenses | 27,835 | 22,916 |
| Operating profit | 3,691 | 6,854 |
| Non-operating income | | |
| Interest income | 1,842 | 2,120 |
| Dividend income | 2,117 | 2,637 |
| Equity in earnings of affiliated companies | — | 3,183 |
| Foreign exchange gains | 374 | 3,542 |
| Others | 602 | 353 |
| Total non-operating income | 4,936 | 11,836 |
| Non-operating expenses | | |
| Interest expenses | 5,428 | 4,288 |
| Equity in losses of affiliated companies | 2,538 | — |
| Others | 409 | 395 |
| Total non-operating expenses | 8,376 | 4,683 |
| Ordinary profit | 251 | 14,007 |
| Extraordinary income | | |
| Gain on sale of fixed assets | 1,463 | 659 |
| Others | 729 | 1,960 |
| Total extraordinary income | 2,192 | 2,620 |
| Extraordinary losses | | |
| Loss on sale of fixed assets | 29 | 28 |
| Others | 903 | 1,291 |
| Total extraordinary losses | 933 | 1,319 |
| Income before income taxes and non-controlling interests | 1,510 | 15,308 |
| Income taxes | 2,078 | 1,559 |
| Net income (loss) | (568) | 13,748 |
| Profit attributable to non-controlling interests | 1,114 | 1,474 |
| Profit (loss) attributable to owners of parent | (1,682) | 12,273 |

(3) Consolidated Statements of Comprehensive Income

| | (¥Million) | |
|--|--|---------------------------------------|
| | FY2018 (Apr.1,2018 - June.30, 2018) | FY2019 (Apr.1,2019- June.30, 2019) |
| Net income (loss) | (568) | 13,748 |
| Other comprehensive income | | |
| Unrealized holding gains on available-for-sale securities, net of tax | 842 | (2,908) |
| Unrealized gains on hedging derivatives, net of tax | 4,974 | (8,164) |
| Foreign currency translation adjustments | (15,613) | 1,722 |
| Remeasurements of defined benefit plans, net of tax | (71) | (315) |
| Share of other comprehensive income (loss) of associates accounted for using equity method | 4,201 | (8,247) |
| Total other comprehensive income | (5,666) | (17,912) |
| Comprehensive income | (6,234) | (4,163) |
| (Breakdown) | | |
| Comprehensive income attributable to owners of parent | (7,212) | (5,883) |
| Comprehensive income attributable to non-controlling interests | 978 | 1,719 |

[NOTE]

(Changes in Accounting Policies)

Some affiliated companies adopted IFRS 16 Leases from the first quarter of the consolidated fiscal year under review. The impact of the adoption of this accounting standard on quarterly consolidated financial statements is minor.

(4) Segment Information

Business segment information:

(¥Million)

| Q1 / FY2018 (Apr.1 - Jun.30, 2018) | Reportable Segment | | | | | | Others *1 | Total | Adjust- ment *2 | Consoli- dated *4 |
|---------------------------------------|----------------------|---------------------------------|----------------------------|--|--------------------------|----------------|--------------|----------------|-----------------------|-------------------------|
| | Dry Bulk Business | Energy Transport Business | Product Transport Business | | Associated Businesses | Sub Total | | | | |
| | | | Container ships | Car Carries, Ferries and Coastal RoRo ships | | | | | | |
| Revenues | | | | | | | | | | |
| 1.Revenues from external customers | 66,001 | 64,770 | 82,470 | 62,564 | 24,906 | 300,712 | 3,721 | 304,434 | — | 304,434 |
| 2.Inter-segment revenues | 5 | 1,903 | 501 | 41 | 7,227 | 9,679 | 1,610 | 11,289 | (11,289) | — |
| Total Revenues | 66,006 | 66,673 | 82,972 | 62,605 | 32,133 | 310,391 | 5,331 | 315,723 | (11,289) | 304,434 |
| Segment profit (loss) | 3,882 | 3,155 | (4,700) | (965) | 3,376 | 4,747 | 640 | 5,388 | (5,136) | 251 |

(¥Million)

| Q1/ FY2019 (Apr.1 - Jun.30, 2019) | Reportable Segment | | | | | | Others *1 | Total | Adjust- ment *3 | Consoli- dated *4 |
|---------------------------------------|----------------------|---------------------------------|----------------------------|--|--------------------------|----------------|--------------|----------------|-----------------------|-------------------------|
| | Dry Bulk Business | Energy Transport Business | Product Transport Business | | Associated Businesses | Sub Total | | | | |
| | | | Container ships | Car Carries, Ferries and Coastal RoRo ships | | | | | | |
| Revenues | | | | | | | | | | |
| 1.Revenues from external customers | 67,239 | 68,982 | 58,358 | 60,774 | 23,828 | 279,182 | 3,965 | 283,147 | — | 283,147 |
| 2.Inter-segment revenues | 0 | 2,153 | 290 | 153 | 6,384 | 8,981 | 1,525 | 10,506 | (10,506) | — |
| Total Revenues | 67,239 | 71,135 | 58,648 | 60,927 | 30,212 | 288,163 | 5,490 | 293,654 | (10,506) | 283,147 |
| Segment profit | 2,426 | 6,040 | 1,780 | 1,018 | 3,665 | 14,931 | 854 | 15,785 | (1,778) | 14,007 |

* 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. Adjustment in Segment profit (loss) of ¥ -5,136 million include the following:
¥ -6,625 million of corporate profit which is not allocated to segments, ¥ 1,506 million of adjustment for management accounting and ¥ -17 million of inter-segment transaction elimination.

* 3. Adjustment in Segment profit of ¥ -1,778 million include the following:
¥ -3,427 million of corporate profit which is not allocated to segments, ¥ 1,699 million of adjustment for management accounting and ¥ -49 million of inter-segment transaction elimination.

* 4. Segment profit (loss) corresponds to ordinary profit in the consolidated statements of income.

[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**<FY2019>**

| | Q1 | Q2 | Q3 | Q4 |
|--|---------------|---------------|---------------|---------------|
| | Apr-Jun, 2019 | Jul-Sep, 2019 | Oct-Dec, 2019 | Jan-Mar, 2020 |
| Revenues [¥ Millions] | 283,147 | | | |
| Operating profit (loss) | 6,854 | | | |
| Ordinary profit (loss) | 14,007 | | | |
| Income (Loss) before income taxes | 15,308 | | | |
| Profit (Loss) attributable to owners of parent | 12,273 | | | |
| Net income (loss)* per share [¥] | 102.63 | | | |
| Total Assets [¥ Millions] | 2,082,641 | | | |
| Total Net Assets | 639,824 | | | |

*Profit (Loss) attributable to owners of parent

<FY2018>

| | Q1 | Q2 | Q3 | Q4 |
|--|---------------|---------------|---------------|---------------|
| | Apr-Jun, 2018 | Jul-Sep, 2018 | Oct-Dec, 2018 | Jan-Mar, 2019 |
| Revenues [¥ Millions] | 304,434 | 315,461 | 322,331 | 291,851 |
| Operating profit (loss) | 3,691 | 11,070 | 14,918 | 8,039 |
| Ordinary profit (loss) | 251 | 10,026 | 14,400 | 13,897 |
| Income (Loss) before income taxes | 1,510 | 10,891 | 20,057 | 14,320 |
| Profit (Loss) attributable to owners of parent | (1,682) | 7,407 | 14,370 | 6,780 |
| Net income (loss)* per share [¥] | (14.07) | 61.95 | 120.15 | 56.69 |
| Total Assets [¥ Millions] | 2,206,323 | 2,262,672 | 2,171,741 | 2,134,477 |
| Total Net Assets | 619,337 | 653,536 | 661,690 | 651,607 |

*Profit (Loss) attributable to owners of parent

2. Depreciation and Amortization

| | Three months ended Jun.30, 2018 | Three months ended Jun.30, 2019 | Increase / Decrease | (¥ Millions) FY2018 |
|--------------|------------------------------------|------------------------------------|---------------------|------------------------|
| Vessels | 15,996 | 15,827 | (168) | 66,923 |
| Others | 5,745 | 5,460 | (285) | 23,214 |
| Total | 21,741 | 21,288 | (453) | 90,138 |

3. Interest-bearing Debt

| | As of Mar.31, 2019 | As of Jun.30, 2019 | Increase / Decrease | (¥ Millions) As of Jun.30, 2018 |
|------------------|--------------------|--------------------|---------------------|------------------------------------|
| Bank loans | 853,416 | 845,418 | (7,997) | 929,227 |
| Bonds | 196,698 | 177,558 | (19,140) | 176,608 |
| Commercial paper | 40,000 | 48,000 | 8,000 | 37,000 |
| Others | 15,759 | 16,461 | 702 | 16,531 |
| Total | 1,105,873 | 1,087,438 | (18,435) | 1,159,367 |

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 | 53 | 5,292 | 83 | 10,835 | 33 | 2,627 | 50 | 841 | 14 | 1,108 |
| Chartered | 280 | 25,645 | 85 | 3,973 | 7 | 432 | 59 | 986 | 51 | 4,821 |
| Others | - | - | 2 | 40 | 2 | 143 | - | - | - | - |
| As of Jun.30, 2019 | 333 | 30,937 | 170 | 14,848 | 42 | 3,202 | 109 | 1,828 | 65 | 5,929 |
| As of Mar.31, 2019 | 330 | 31,387 | 170 | 14,483 | 41 | 3,133 | 113 | 1,870 | 65 | 5,929 |

| | Ferries & Coastal RoRo Ships | | 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 | 10 | 54 | 1 | 5 | 7 | 42 | 251 | 20,803 |
| Chartered | 5 | 31 | - | - | 24 | 72 | 511 | 35,961 |
| Others | - | - | - | - | 1 | 1 | 5 | 184 |
| As of Jun.30, 2019 | 15 | 85 | 1 | 5 | 32 | 115 | 767 | 56,948 |
| As of Mar.31, 2019 | 16 | 91 | 1 | 5 | 33 | 114 | 769 | 57,011 |

*including coastal ships (excluding coastal RoRo ships)

5. Exchange Rates

| | Three months ended Jun.30, 2018 | Three months ended Jun.30, 2019 | Change | | | FY2018 |
|----------------|------------------------------------|------------------------------------|--------|--------|-----------------|---------|
| Average rates | ¥107.95 | ¥111.22 | ¥3.27 | [3.0%] | JPY Depreciated | ¥110.63 |
| Term-end rates | ¥110.54 | ¥107.79 | ¥2.75 | [2.5%] | JPY Appreciated | ¥110.99 |

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 Mar.31, 2018 | TTM on Mar.31, 2019 | Change | | | TTM on Dec.31, 2018 |
|----------------|---------------------|---------------------|--------|--------|-----------------|---------------------|
| Term-end rates | ¥106.24 | ¥110.99 | ¥4.75 | [4.5%] | JPY Depreciated | ¥111.00 |

6. Average Bunker Prices

| | Three months ended Jun.30, 2018 | Three months ended Jun.30, 2019 | Increase / Decrease |
|-----------------|------------------------------------|------------------------------------|---------------------|
| Purchase Prices | US\$438/MT | US\$441/MT | US\$+3/MT |

7. Market Information

(1) Dry Bulker Market (Baltic Dry Index)

(January 1985 = 1,000)

Source : Bloomberg

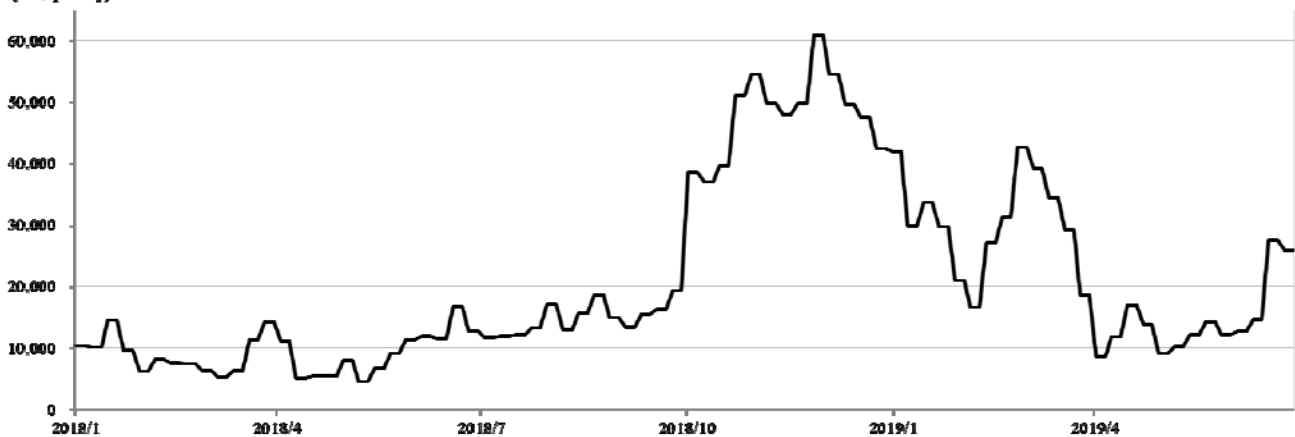


| Monthly Average | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Average |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|
| 2018 | 1,242 | 1,125 | 1,154 | 1,129 | 1,293 | 1,352 | 1,650 | 1,710 | 1,447 | 1,545 | 1,192 | 1,335 | 1,348 |
| 2019 | 1,063 | 629 | 680 | 773 | 1,036 | 1,174 | | | | | | | 893 |

(2) Tanker Market (Daily Earnings) : VLCC AG/Japan trade

(US\$ per day)

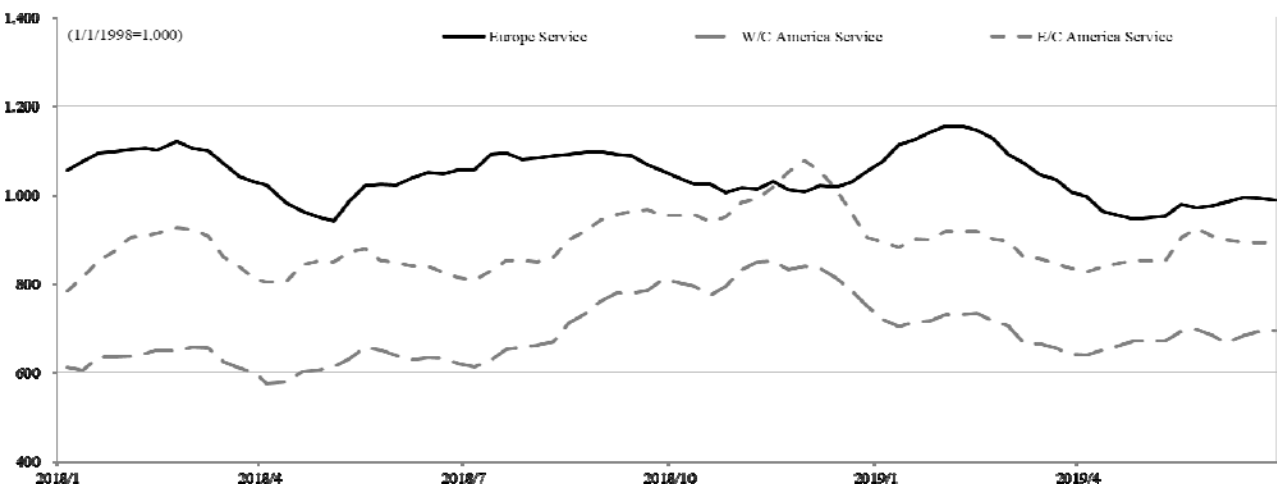
Source : Clarksons Research



| Monthly Average | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Average |
|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| 2018 | 11,148 | 7,357 | 8,739 | 6,800 | 7,116 | 12,896 | 12,282 | 15,869 | 16,183 | 41,604 | 52,657 | 48,552 | 20,100 |
| 2019 | 33,842 | 24,042 | 32,844 | 12,797 | 11,651 | 20,240 | | | | | | | 22,569 |

(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.