

## Mitsui O.S.K. Lines, Ltd. Announces Revision of FY2015 Outlook and Business Structural Reforms

TOKYO—Mitsui O.S.K. Lines, Ltd. (the Company; President & CEO: Junichiro Ikeda) today announced a revision of its consolidated business outlook for fiscal year 2015 (April 1, 2015 to March 31, 2016), issued on October 30, 2015, as follows. In addition, the Company announced the plan to record the costs for its business structural reforms under extraordinary loss for the fourth quarter of this fiscal year.

### 1. Revisions to the consolidated business outlook for FY2015 (April 1, 2015 to March 31, 2016)

	Revenue	Operating Income/Loss	Ordinary Income	Net Income/Loss*	Net Income/Loss per Share
	¥mil.	¥mil.	¥mil.	¥mil.	¥
Previous Outlook (A)	1,758,000	5,000	42,000	17,000	14.21
Revised Outlook (B)	1,720,000	-5,000	32,000	-175,000	-146.31
Change (B – A)	-38,000	-10,000	-10,000	-192,000	
Change (%)	-2.2%	—	-23.8%	—	
(Ref) FY2014	1,817,069	17,249	51,330	42,356	35.42

\* Profit/Loss attributable to owners of parent

#### Reason for revision of outlook

The Company made a downward revision of its full-year FY2015 forecast for operating income and ordinary income from the previous forecast in consideration of a significantly weaker than anticipated dry bulker market despite the tailwind of lower bunker prices, as well as a delay in recovery of containership freight rates. The Company also made a large downward revision of its forecast for net income/loss based on the plan to record costs for business structural reforms as described below, anticipating a loss of ¥175.0 billion.

### 2. Plan to record the costs for business structural reforms under extraordinary loss for the fourth quarter of this fiscal year

The Company has decided to implement business structural reforms in response to the current severe business environment, and details of each measure are under consideration.

#### (1) Background

In the dry bulker business, the market is deteriorating to a new record low due to the imbalance of fleet supply and demand, along with stagnant cargo trade resulting from the slowdown in China's economy since last fall. Regarding the containership business, cargo volume, mainly for Europe and emerging countries, hovered at low levels while a succession of newbuilding vessels came into service, keeping freight rates at historic lows. Although the Company expects the market to recover to some extent, in light of its uncertainties it decided to implement structural reforms in these businesses to address the abruptly changing business climate.

#### (2) Outline of business structural reforms

In regard to dry bulkers, the Company is further reducing the number of free Capesize vessels, while withdrawing from offering excess tonnage in the free-vessel market for Panamax and other mid- and small-size bulkers. Instead, the Company will focus on meeting the major transportation demands of our customers. Also, in regard to the containership business, the Company will reinforce its business structure and forge ahead to improve the bottom line, centered on thorough efforts to capture more profitable cargoes, based on reducing fixed costs through rationalization, mainly on North-South routes, and fleet reductions focused on mid-size vessels. As soon as the details of each measure are determined, the Company will separately announce them in accordance with timely disclosure rules.

#### (3) Costs

The Company expects to record an extraordinary loss of up to approximately ¥ 180.0 billion in the fourth quarter of this fiscal year, due to costs for the business structural reforms including disposal of vessels in the dry bulker and containership businesses.

Furthermore, the Company must make a significant revision of the current midterm management plan “STEER FOR 2020”, which is slated to continue through fiscal year 2016, based on the rapidly deteriorating business environment and the decision to implement the above-mentioned business structural reforms. The Company plans to develop and announce a new business plan for the new fiscal year.

**[Note]** The future outlook described above is issued by the Company on the basis of currently available information as of the announcement date. Please note that the actual results may differ from this outlook due to various factors in the future.