

INVESTOR GUIDEBOOK 2018



MOL Group Corporate Principles

As a multi-modal transport group, we will:

- actively contribute to global economic growth and development, anticipating the needs of our customers and the challenges of this new era
- strive to maximize corporate value through creativity, operating efficiency and promotion of ethical and transparent management
- nurture and protect the natural environment by maintaining the highest standards of operational safety and navigation

Long-term Vision

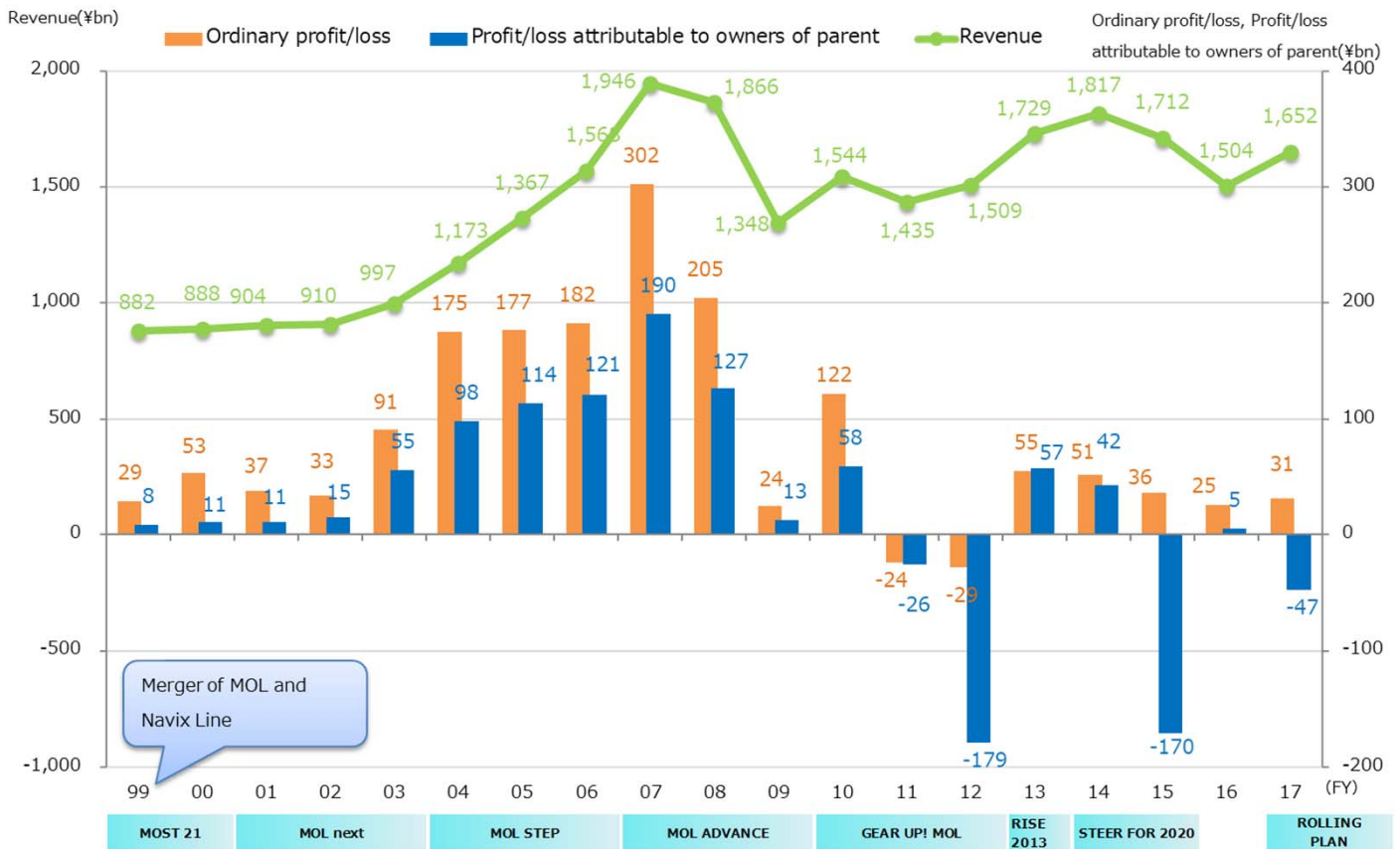
To develop the MOL Group into an excellent and resilient organization that leads the world shipping industry



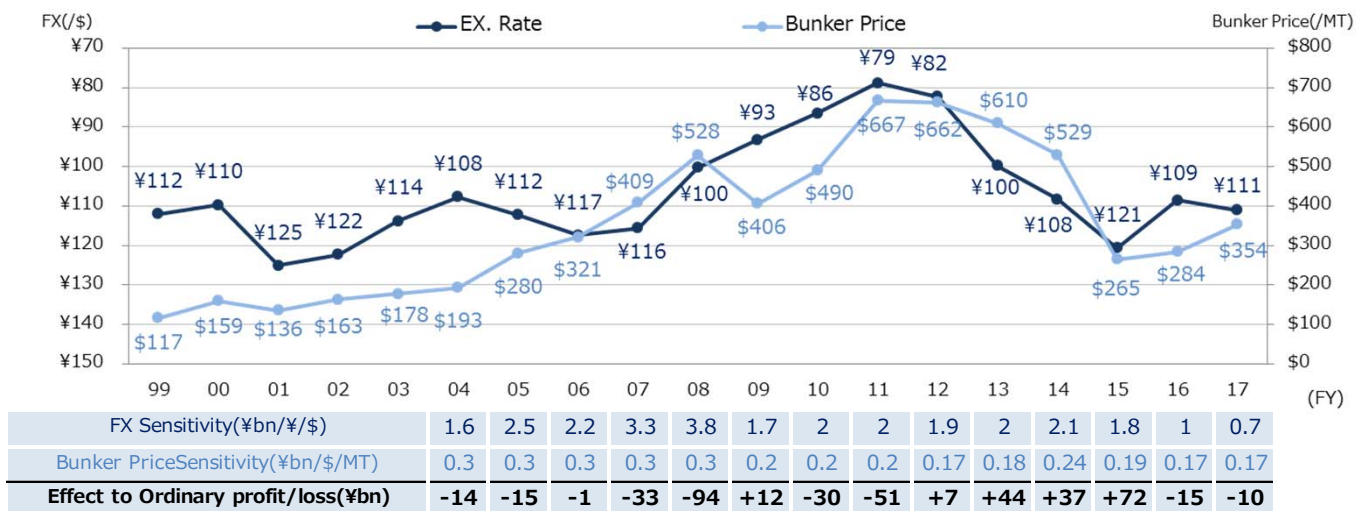
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● P/L

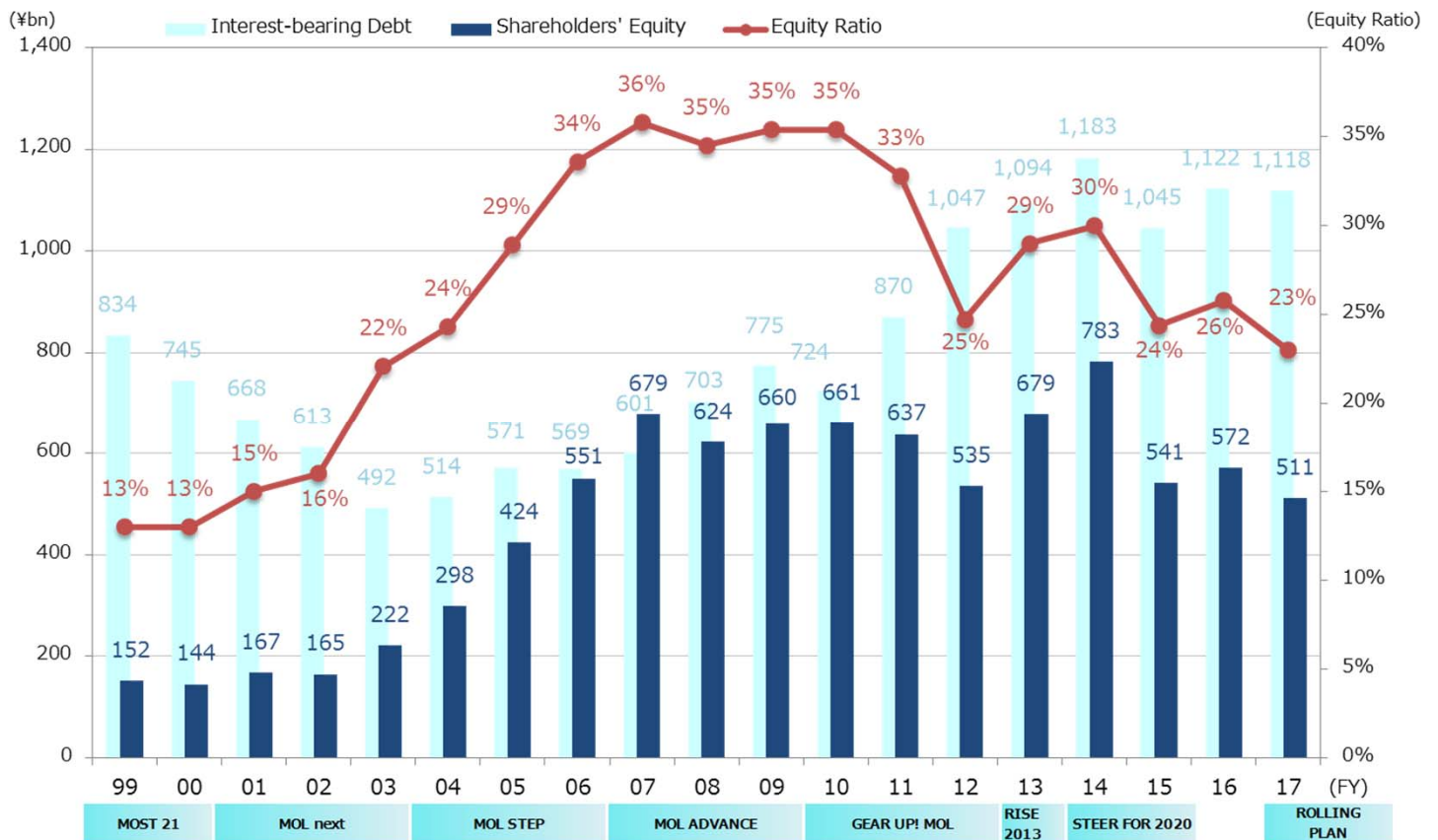


● Exchange Rate & Bunker Price (Fiscal year average)



*Maximum estimation

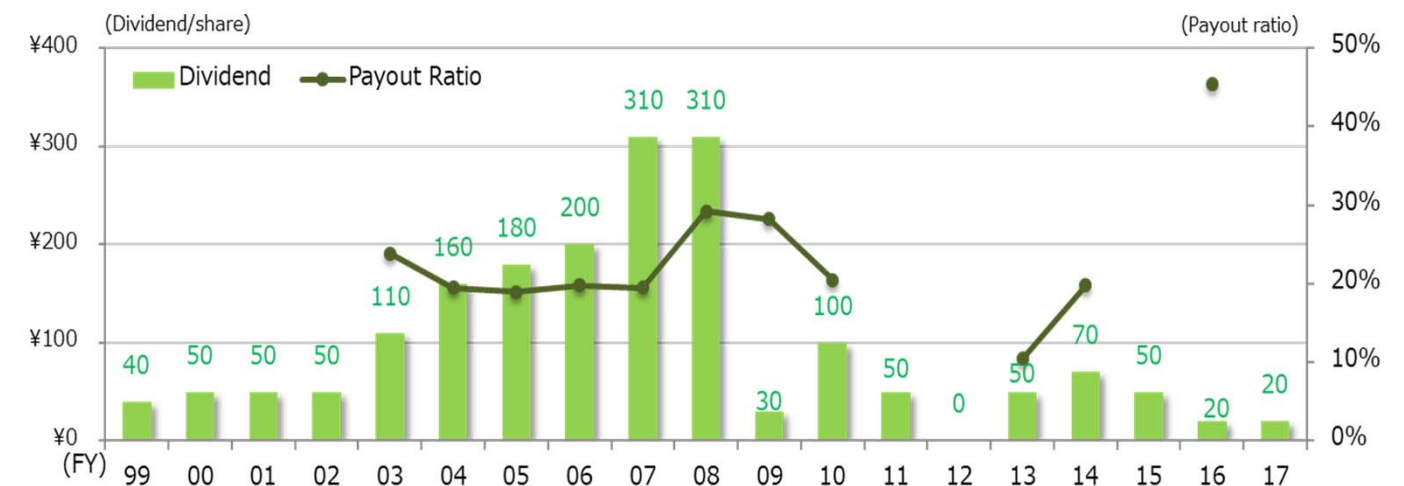
● B/S



Note: "Shareholders' Equity" refers to :

- To FY2005: Shareholders' equity on the consolidated Balance Sheet
- From FY2006: Owners' equity plus accumulated gains/losses from valuation and translation adjustments

● Dividends



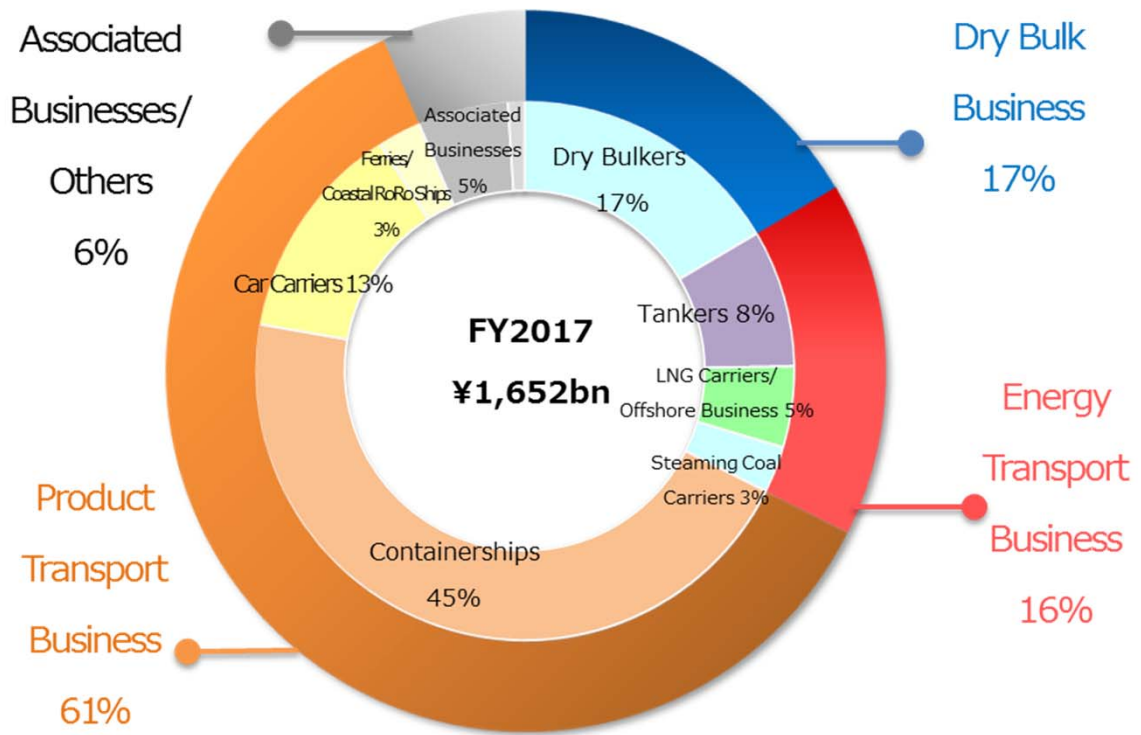
Note: Payout ratio shown after FY2003. Dividend is basis consolidation of shares.

(FY2011, FY2015 & FY2017: paid dividends though posted a loss)

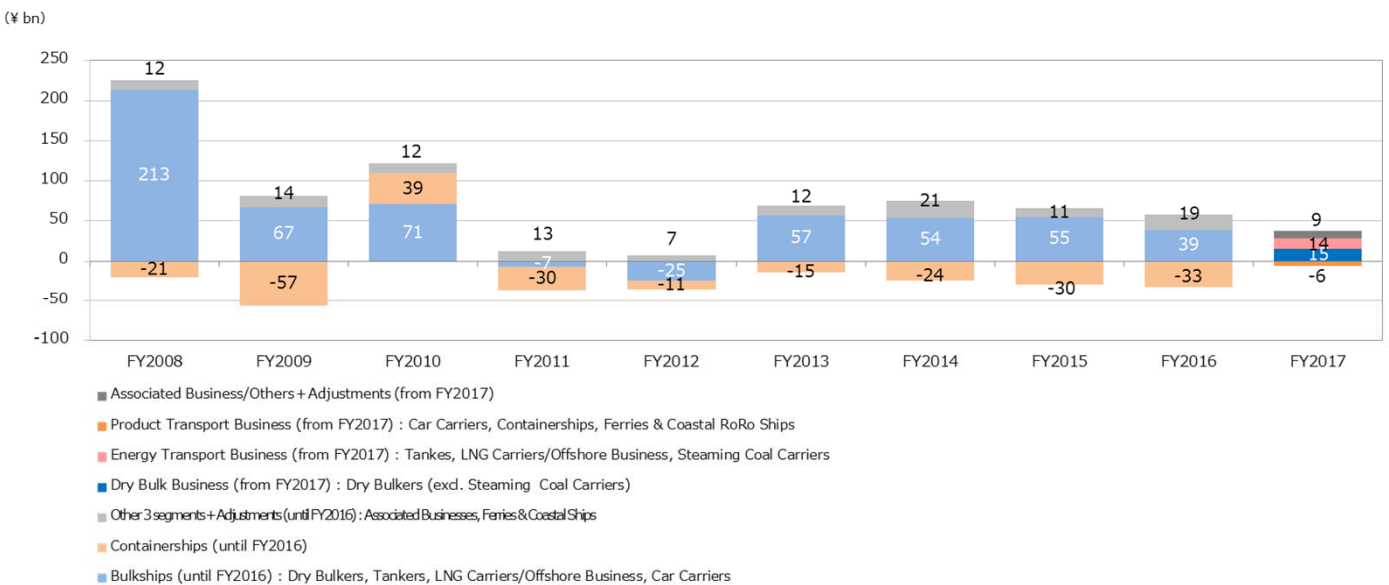
【Dividend Policy】

- The company recognizes the importance of increasing corporate value through aggressive business investment and returning profits directly to the shareholders through dividends.
- We are seeking to increase our corporate value per share while utilizing internally reserved funds and solidifying our financial position.
- In consideration of the above issues, the company will use 20% as a guideline for the dividend payout ratio over the coming terms, and pay dividends in conjunction with consolidated performance. However, MOL will address the need to increase the ratio under its mid-and long-term management policies.

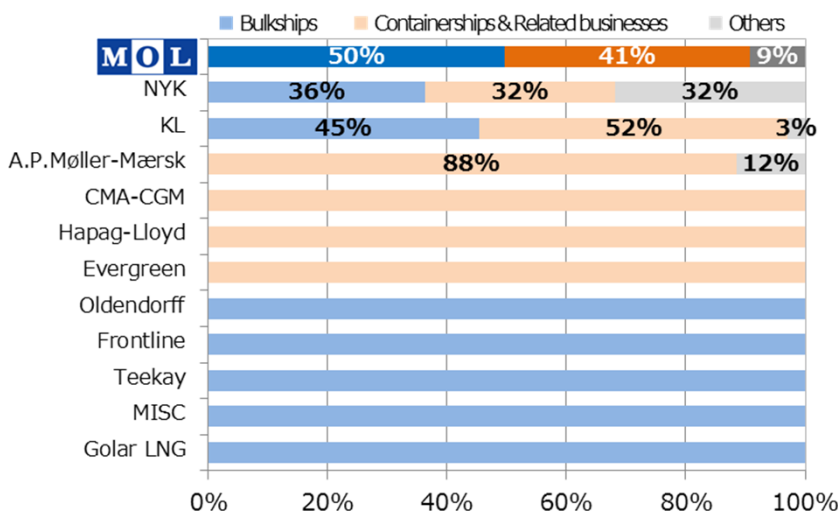
● Revenue by Segment (Consolidated)



● Ordinary profit by Segment (Consolidated)



● Global Major Carriers' Revenue Composition by Segment



Source : MOL internal calculation based on each company's published data and News.

Note: ①MOL's bulkships to include dry bulk business, energy transport business, car carriers, and ferries & RoRo ships / containerships & related business to include revenues from Containerships, Terminal and Logistics ②NYK's others to include revenues from Air freighters and Logistics ③A.P.Møller-Mærsk's containerships & related business to include revenues from Terminal business.

● **Fleet Composition**

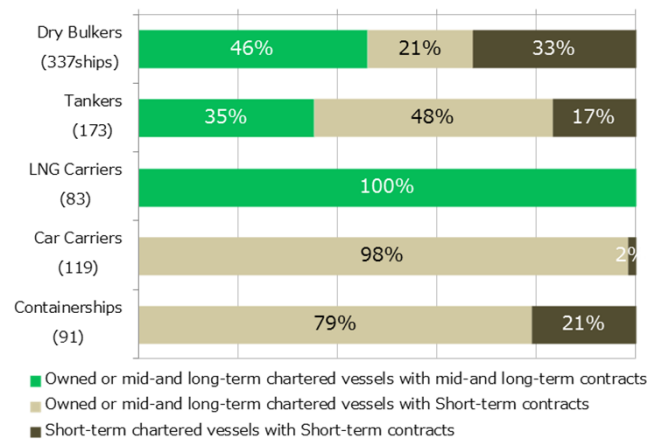
(Including spot-chartered ships and those owned by joint ventures)

		At the end of Mar.2018		At the end of Mar.2017		
		vessels	k dwt	vessels	k dwt	
Dry Bulk Business Unit	Capesize	88	17,298	90	17,579	
	Small and medium-sized bulkers	Panamax	26	2,130	24	1,950
		Handymax	54	2,966	57	3,147
		Small Handy	28	996	31	1,102
	(Sub total)	108	6,092	112	6,199	
	Wood chip carriers	39	2,159	39	2,158	
	Short sea ships	61	1,093	55	981	
(Sub total)	296	26,641	296	26,916		
Energy Transport Business Unit	Tankers	Crude oil tankers	39	10,394	40	10,498
		Chemical tankers	87	2,690	78	2,418
		Product tankers	39	2,307	43	2,579
		LPG tankers	8	447	8	447
	(Sub total)	173	15,839	169	15,942	
	Steaming coal carriers	41	3,778	41	3,753	
	LNG carriers (incl. Ethane carriers)	83	6,590	80	6,290	
	Offshore	FPSO	5	-	4	-
		FSRU	1	152	0	0
		Subsea Support Vessel	1	5	1	5
Coastal ships (excl. Coastal RoRo ships)	30	96	29	93		
Product Transport Business Unit	Car carriers	119	2,004	120	2,042	
	Ferries/Coastal RoRo ships	14	79	14	78	
Associated Business/ Others	Cruise ships	1	5	1	5	
	Others	2	13	2	13	
Subtotal		766	55,202	757	55,137	
Product Transport Business Unit	Containerships*	91	7,474	91	6,947	
Total		857	62,676	848	62,084	

*Containerships are operated by ONE after Apr, 2018

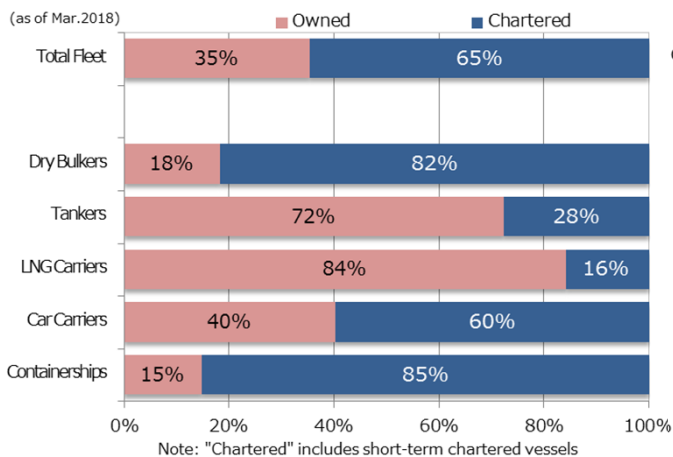
● **Variation of Procurement and Contract terms**

(as of Mar.2018) 0% 20% 40% 60% 80% 100%

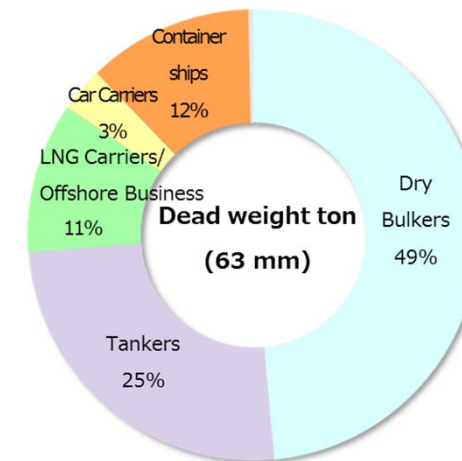
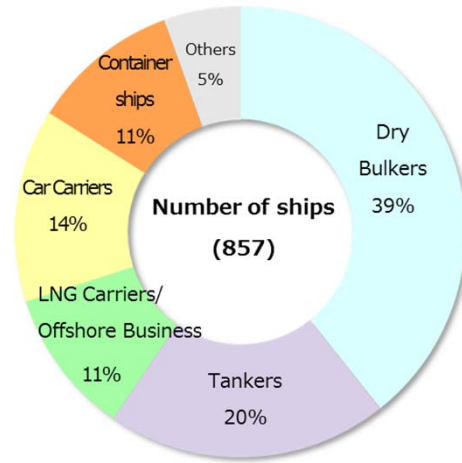


● **Owned/Chartered Ratio (by DWT)**

(as of Mar.2018)



● **Composition**



● **Market Exposure % by Vessel type**

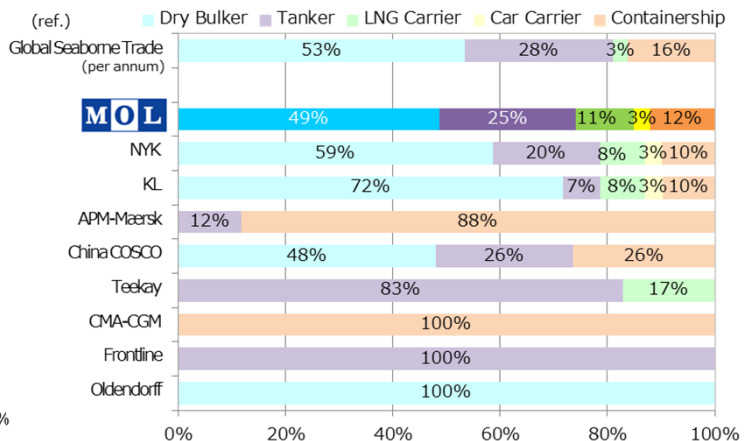
(as of Mar.2018)

Vessel Type	Total number of Fleet	Market Exposure
Capesize	88	24%
Mid-and small-size bulkers	108	6%
VLCC	31	16%
Product Tanker	39	74%
LPG Tanker	8	50%

"Market Exposure"

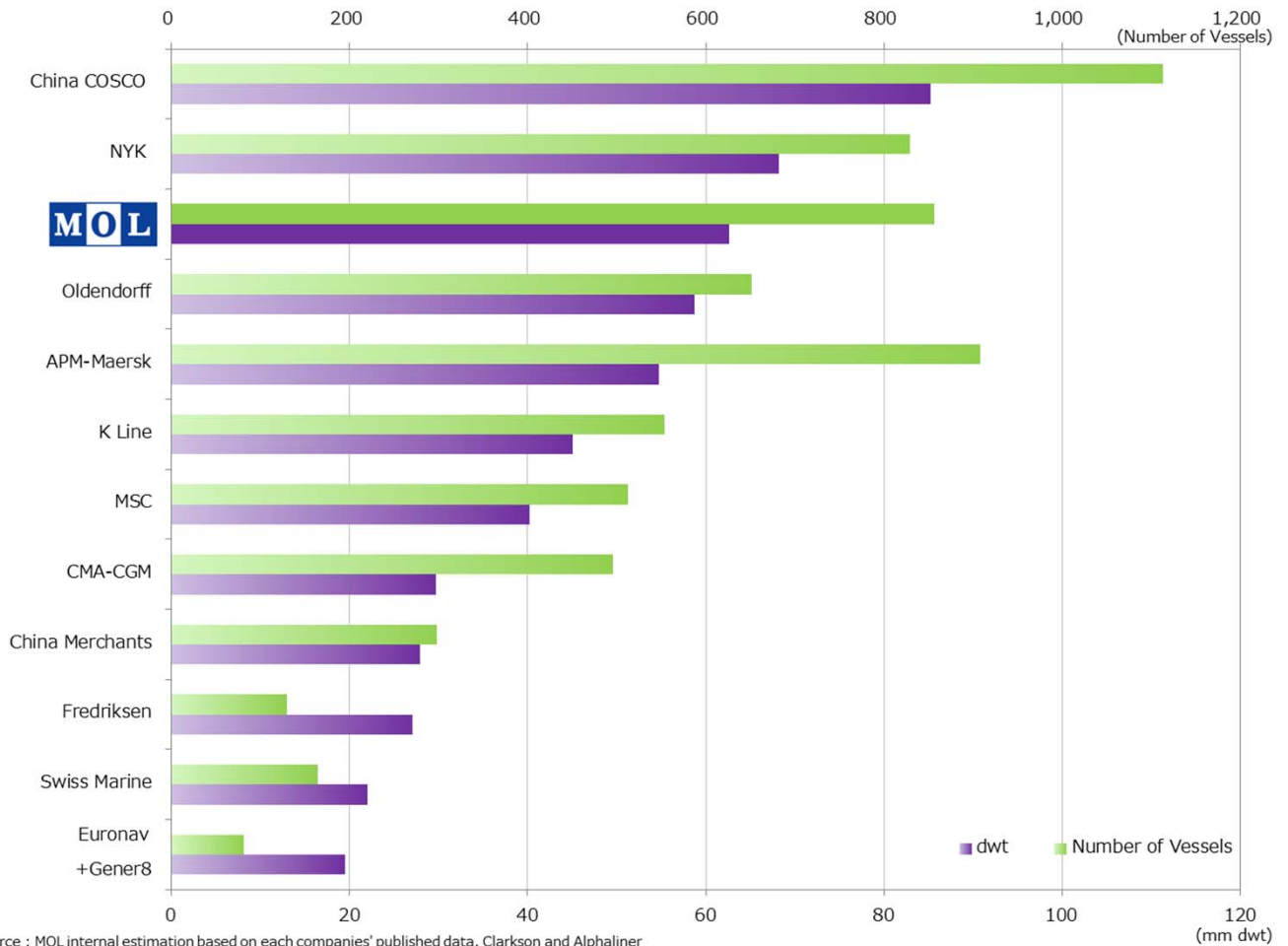
Vessels operating under contracts less than two years, which are owned or mid- and long-term chartered vessels. (Includes vessels that combine multiple customers' cargoes.)

● **Global Major Carriers' Fleet Composition (by DWT)**



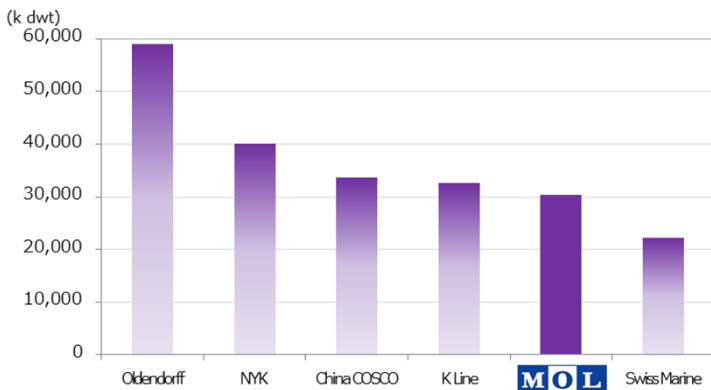
Source: ①World seaborne trade = MOL estimates based on Clarkson data and others ②Fleet composition = MOL estimates based on each company's published data and Clarkson/Alphaliner (Excluding Passenger ship, ferries and tugs)

● Fleet Size of Global Major Carriers (All types of ships) (Mar.2018)



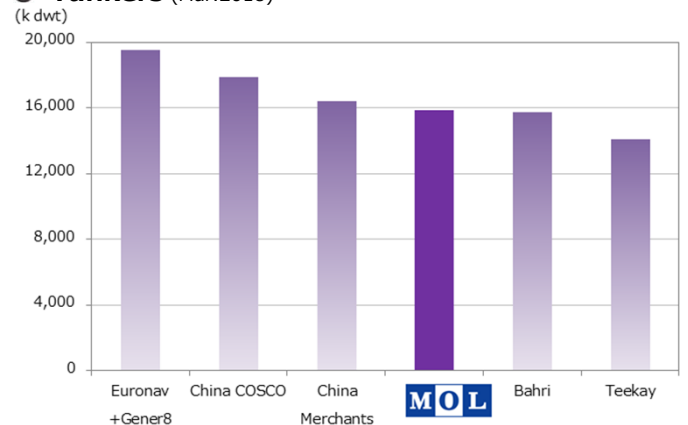
Source : MOL internal estimation based on each companies' published data, Clarkson and Alphaliner

● Dry Bulkers (Mar.2018)



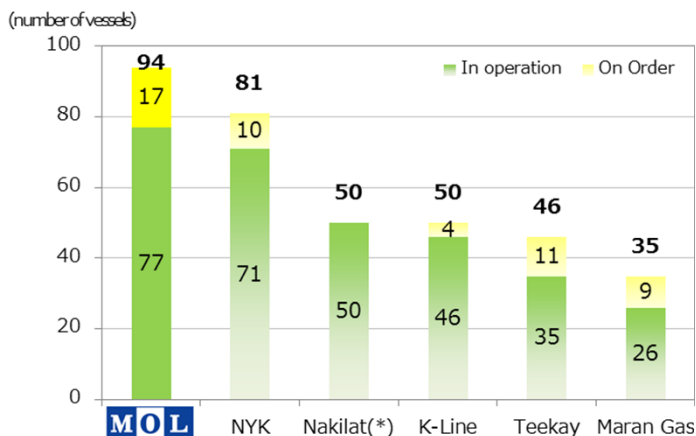
Source : Companies' published data, Clarkson

● Tankers (Mar.2018)



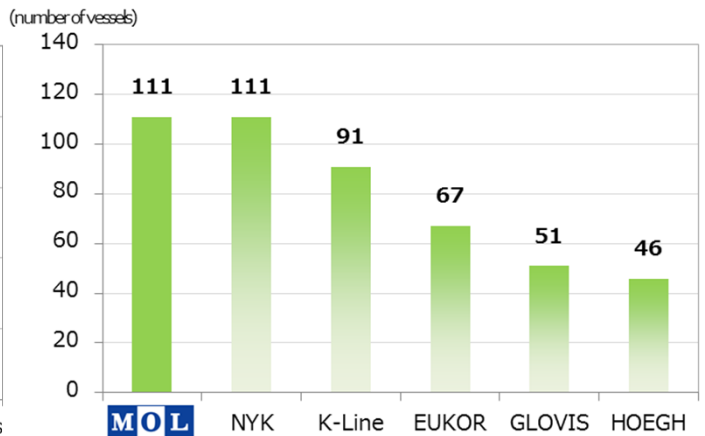
Source : Companies' published data, Clarkson

● LNG Carriers (Mar.2018)



Source : MOL (*)Qatar Gas Transport Company Ltd

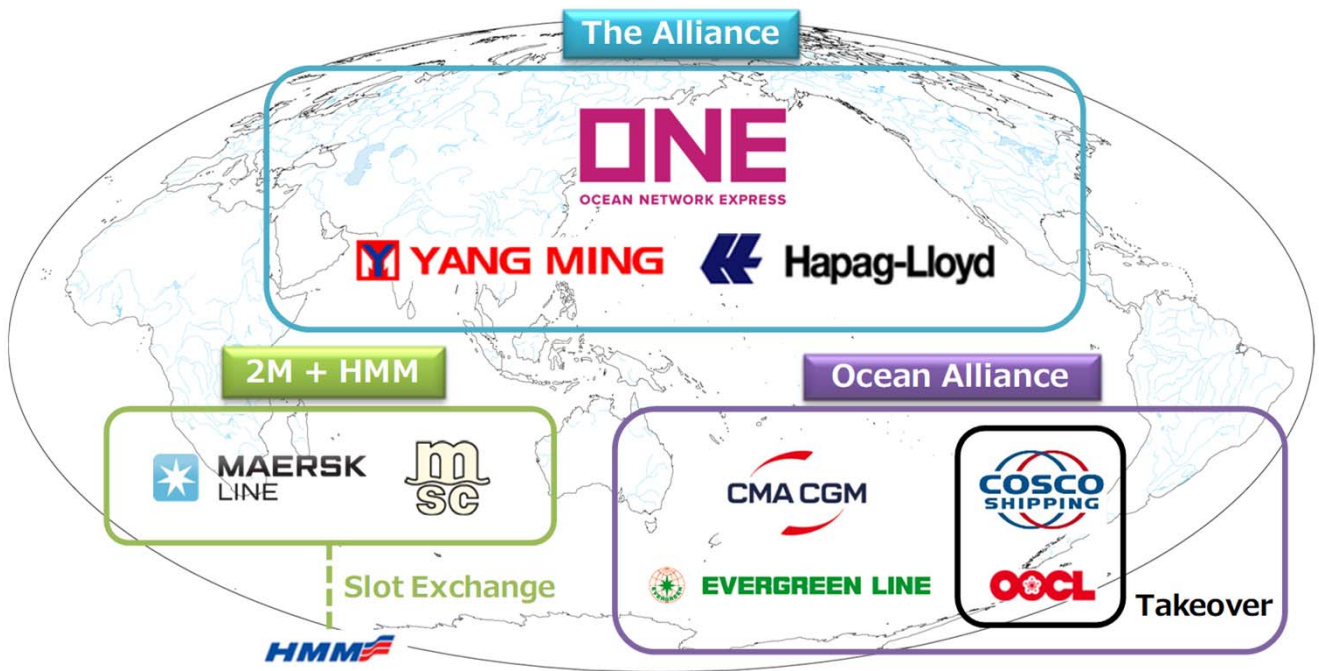
● Car Carriers (Mar.2018)



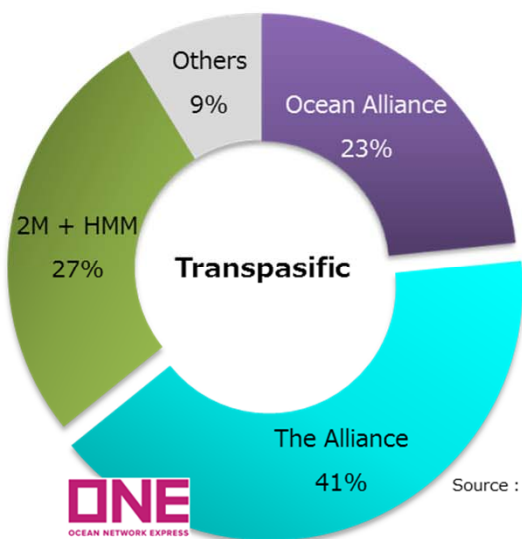
Source : MOL (note)excluding spot-chartered vessels

Note: The above numbers include the vessels which are owned by each company (wholly or partially) and the vessels for which vessel operation is entrusted to each company.

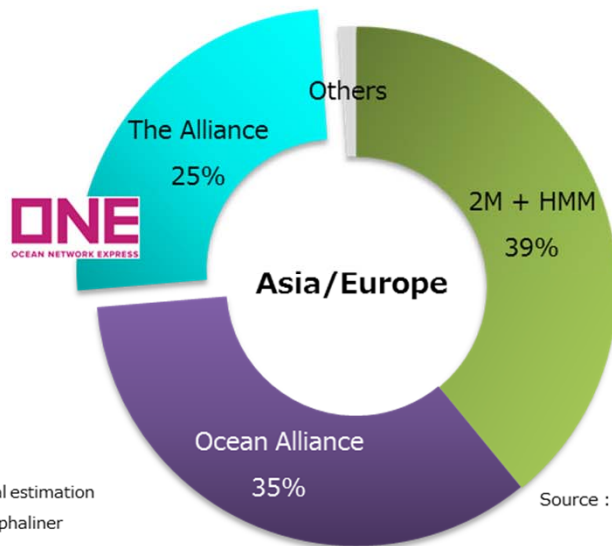
● New Alliances of Containership Industry (since Apr. 2017)



● Containerships : Major Operators/Alliances Share by TEU (Apr.2018)



Source : MOL internal estimation based on Alphaliner



Source : MOL internal estimation based on Alphaliner

● Medium- and Long-term Profit Levels, etc. (Continued from RP 2017)

Medium- and Long-term Profits Level and Financial Indicators

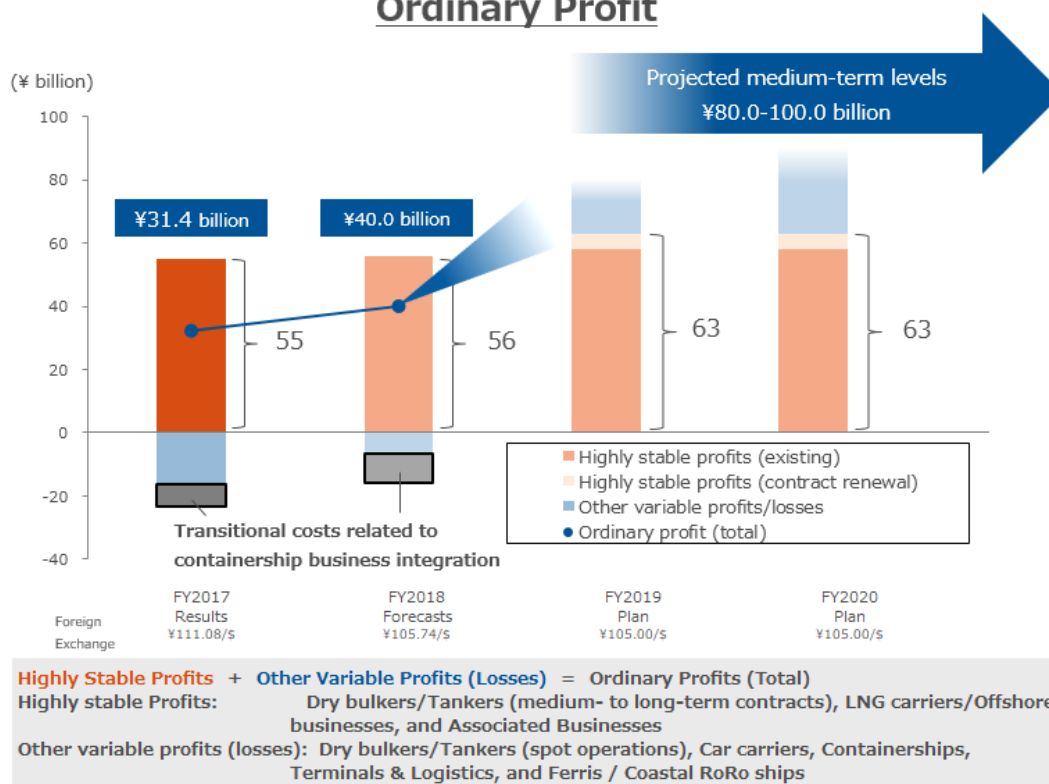
	Projected Medium-term Levels	2027 Targets
Ordinary Profit	¥80.0-100.0 billion	¥150.0-200.0 billion
ROE	8-12%	—
Gearing Ratio	2.0 or less	1.0

Shareholder Returns

In the near term, pay dividends with a 20% dividend payout ratio as a guideline, while working to improve the ratio as a medium- and long-term priority

● Roadmap to Improving Profit (I) (Updated of RP2017)

Ordinary Profit



Note: FY2019-2020 plan is as of Apr 27, 2018

● Roadmap to Improving Profit (II) (Continued from FY2017)

Improving other variable profits (losses)

1. Improve/restore profitability in the containership business

Accumulating highly stable profits

2. Start operations of existing projects (LNG carriers/offshore business)/ Acquire new mid- and long-term contracts (dry bulkers, tankers, offshore business)

Improving other variable profits

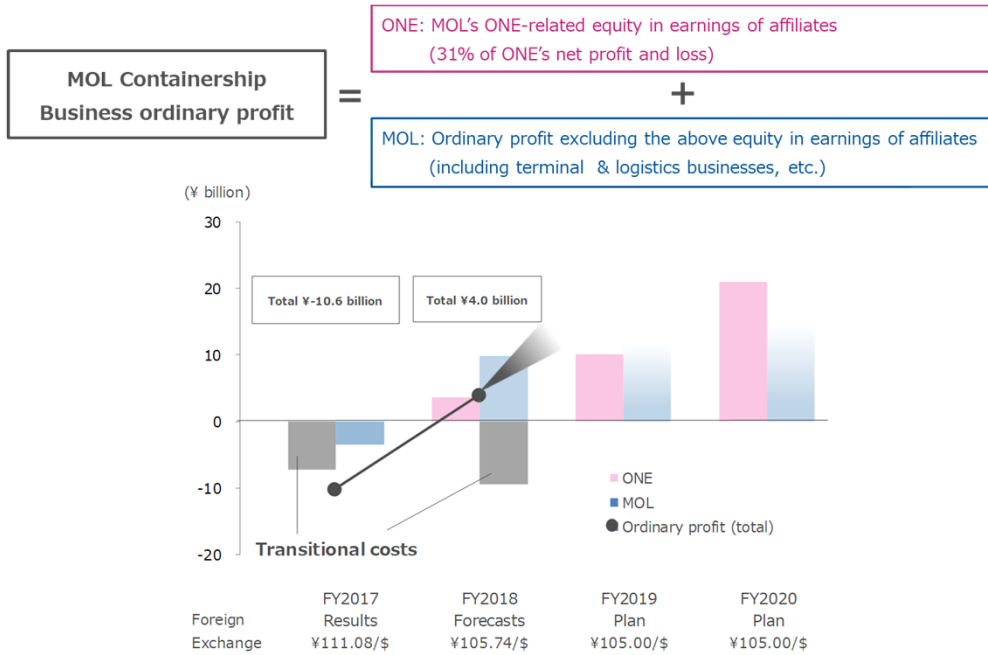
3. Expand and enhance businesses in which MOL has competitive advantages (chemical tankers, ferries, etc.)

Improving other variable profits

In the medium term,

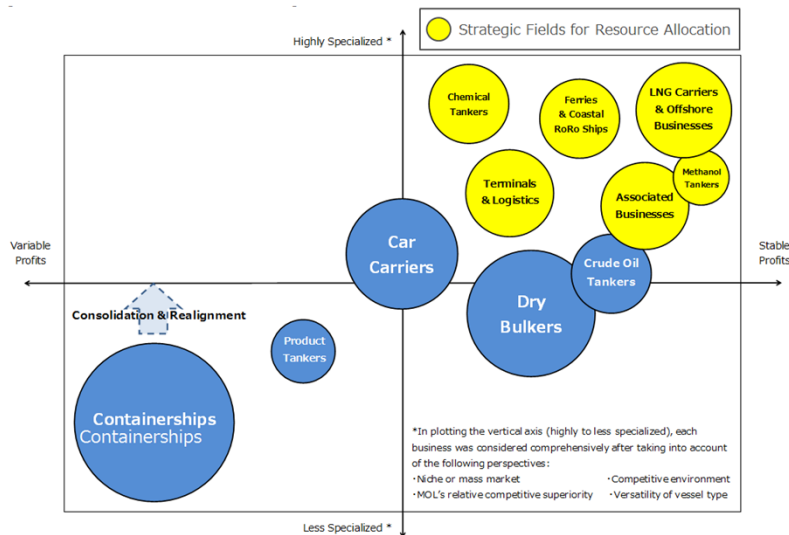
Expect recovery of dry bulker and tanker markets to some extent

● Improve/Restore Profitability in the Containership Business



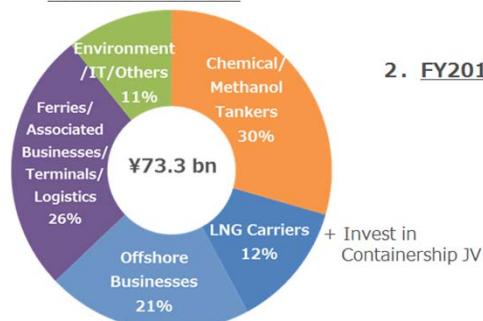
Note: FY2019-2020 plan is as of Apr 27, 2018

● Business Portfolio and Strategic Fields for Resource Allocation (Continued from RP2017)



● Investment Cash Flows (Update from RP2017)

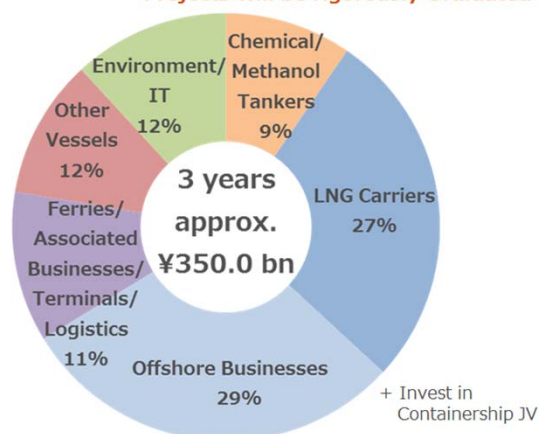
1. FY2017 Results



Incl. Growth investment: approx. ¥55.0 billion
New business investment: approx. ¥10.0 billion

2. FY2018-2020 Outlook (total for existing/new projects)

* Projects will be rigorously evaluated



Incl. Growth investment: approx. ¥190.0 billion
New business investment: approx. ¥70.0 billion

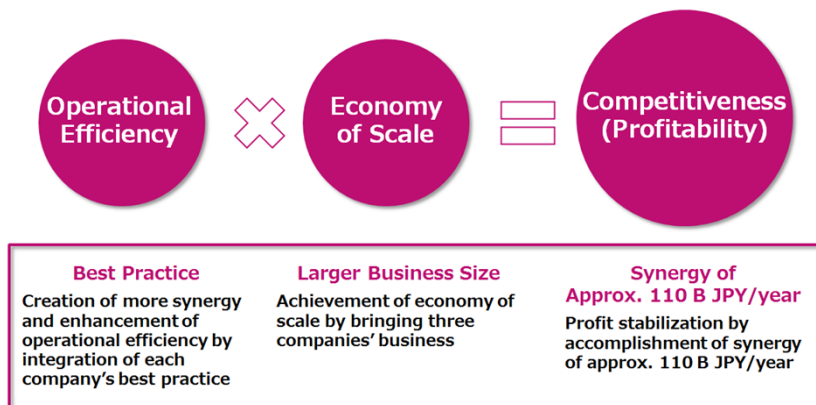
➢ Projects will be rigorously evaluated in step with executing investments to reshape the business portfolio.
On the other hand, carry forward asset sales (incl. cross-shareholdings)
➢ Free cash flows will become positive in fiscal 2019

Integration of Containership Business

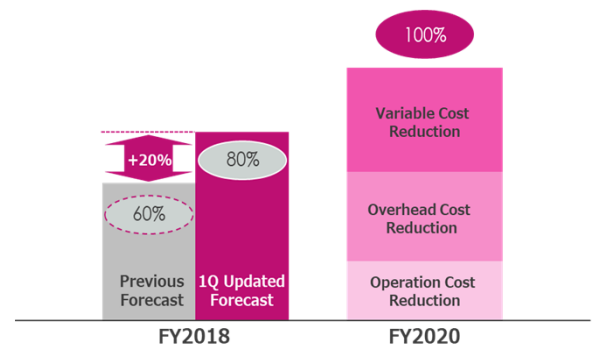
● Overview of the Joint-Venture "ONE" (Ocean Network Express)

Shareholders/ Contribution ratio	MOL: 31%, NYK: 38%, K-Line: 31%
Amount of Contribution	Total US\$3.0 billion (Paid all in cash)
Business Domain	Container Shipping Business (including terminal operating business excluding Japan)
Schedule	Establishment of J/V : July 7 th , 2017 Service Start : April 1 st , 2018

● The aim of the Joint-Venture "ONE"



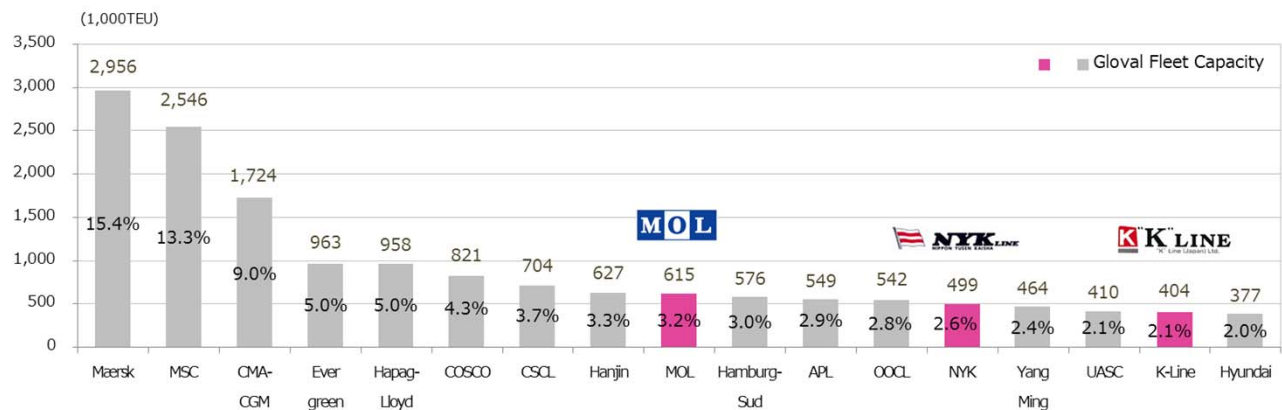
Variable Cost Reduction US\$430million : Rail, Truck, Feeder, Terminal, Equipment etc..
Overhead Cost Reduction US\$370million : IT cost, Rationalization for organization, Outsourcing etc..
Operation Cost Reduction US\$250million : Bunker consumption, product rationalization etc..



Source : Financial Results for FY2018 1st Quarter and Forecast for FY2018 announced by ONE

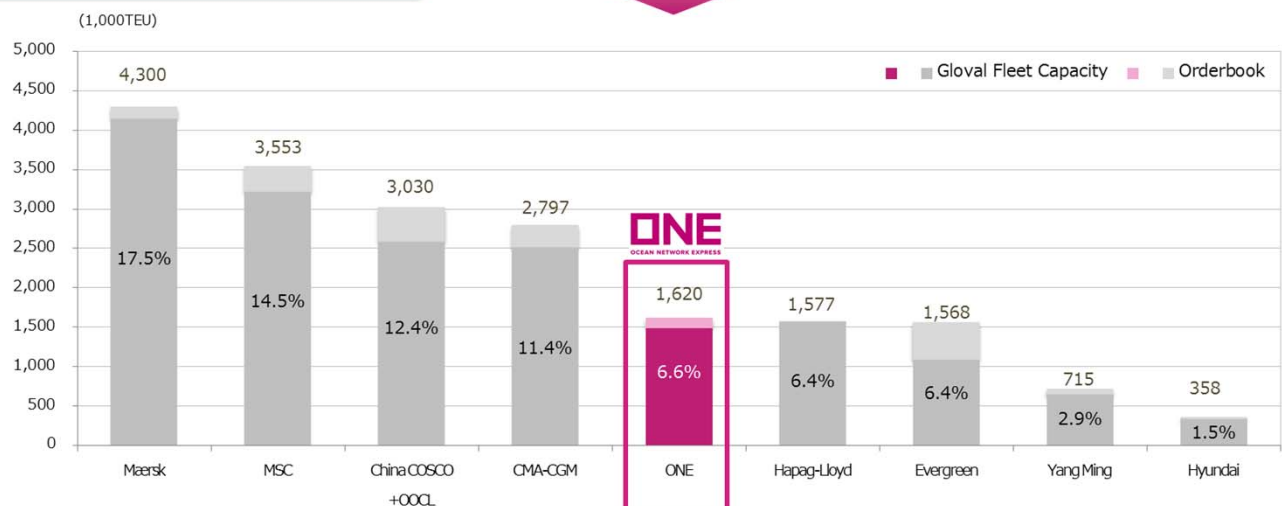
● Containerships Global Fleet Capacity Ranking

as of Apr. 2015 (existing capacity only)



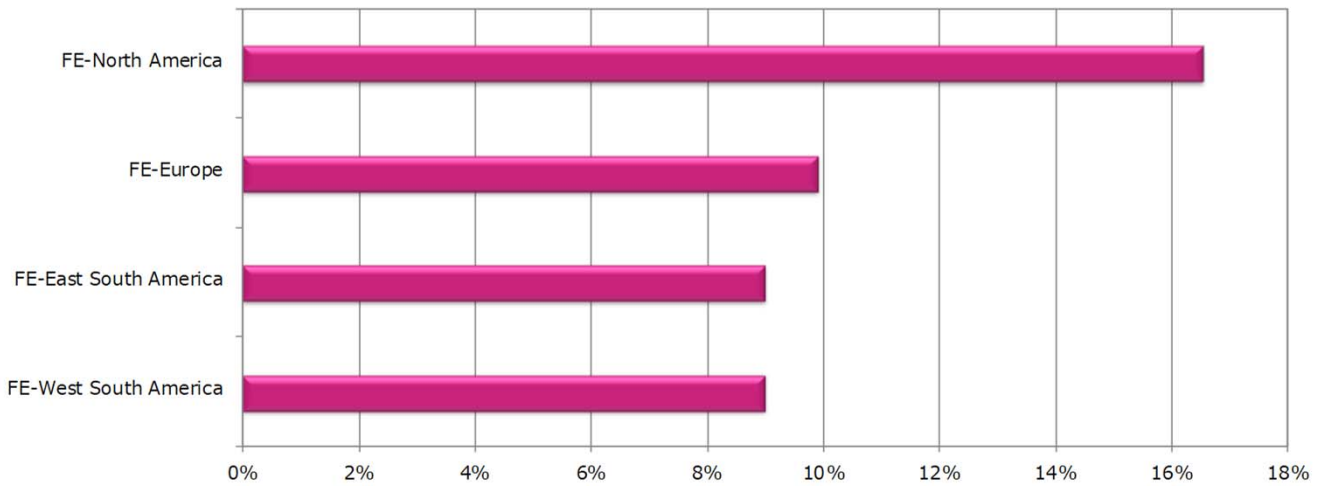
Source:Alphaliner

as of Apr. 2018 (including orderbook)



Source:Alphaliner

● The Joint-Venture "ONE" Capacity Share by Trade (Estimation)

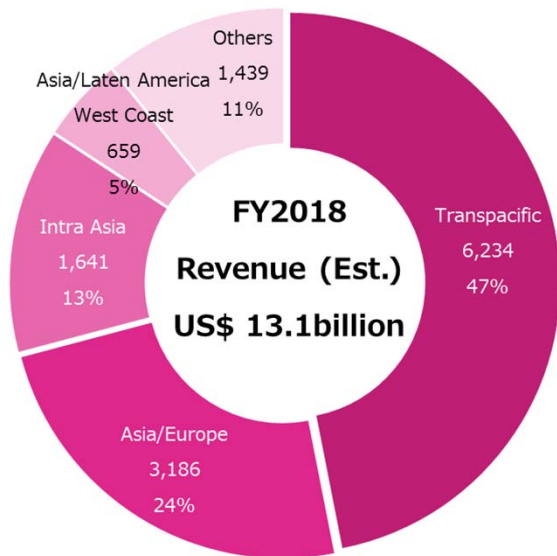


Source : Alphaliner

For FE-East South America trade, the total share of MOL & NYK as of Jan,2018 is shown.

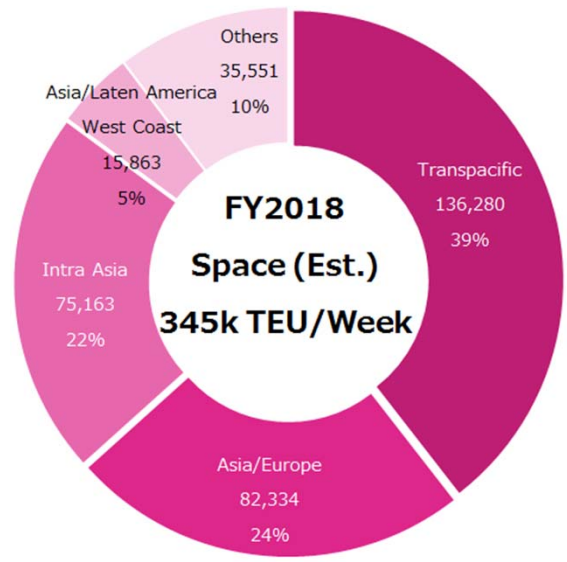
For FE-West South America trade, the share of NYK as of Nov,2017 is shown.

● The Joint-Venture "ONE" : Portfolio (Revenue · Space)



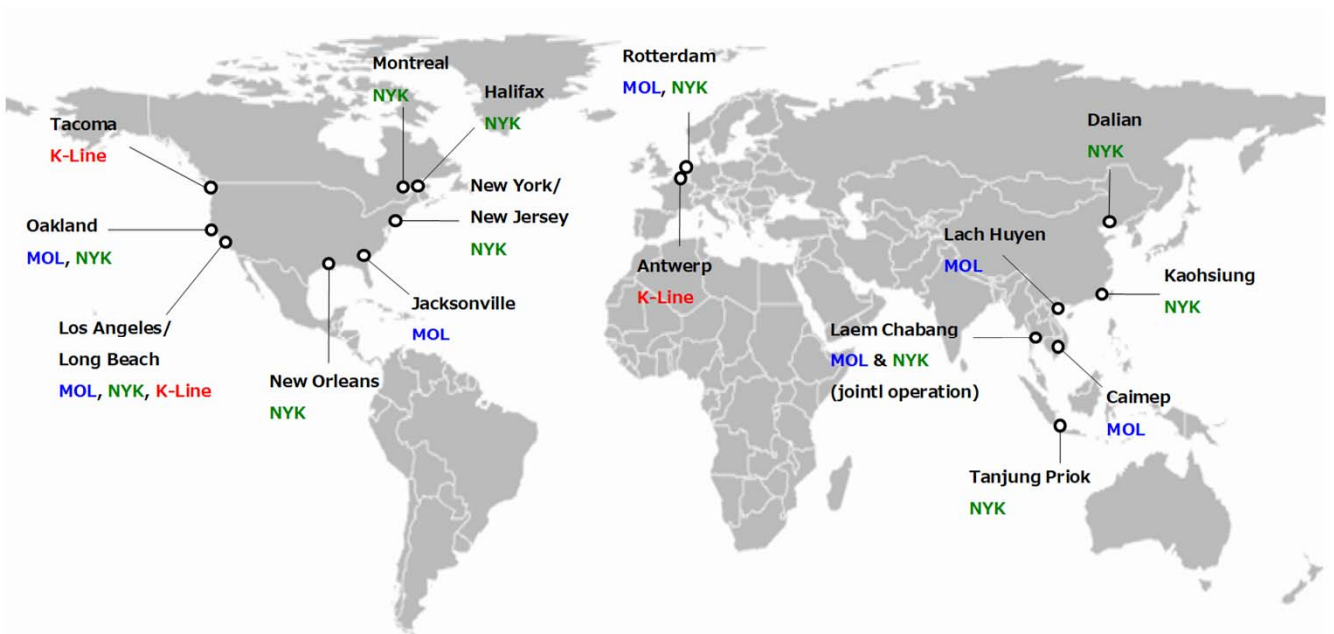
Unit: billion US\$

Source: "3-Year Business Plan (FY2018-2020) and FY2018 Business Summary" announced by ONE



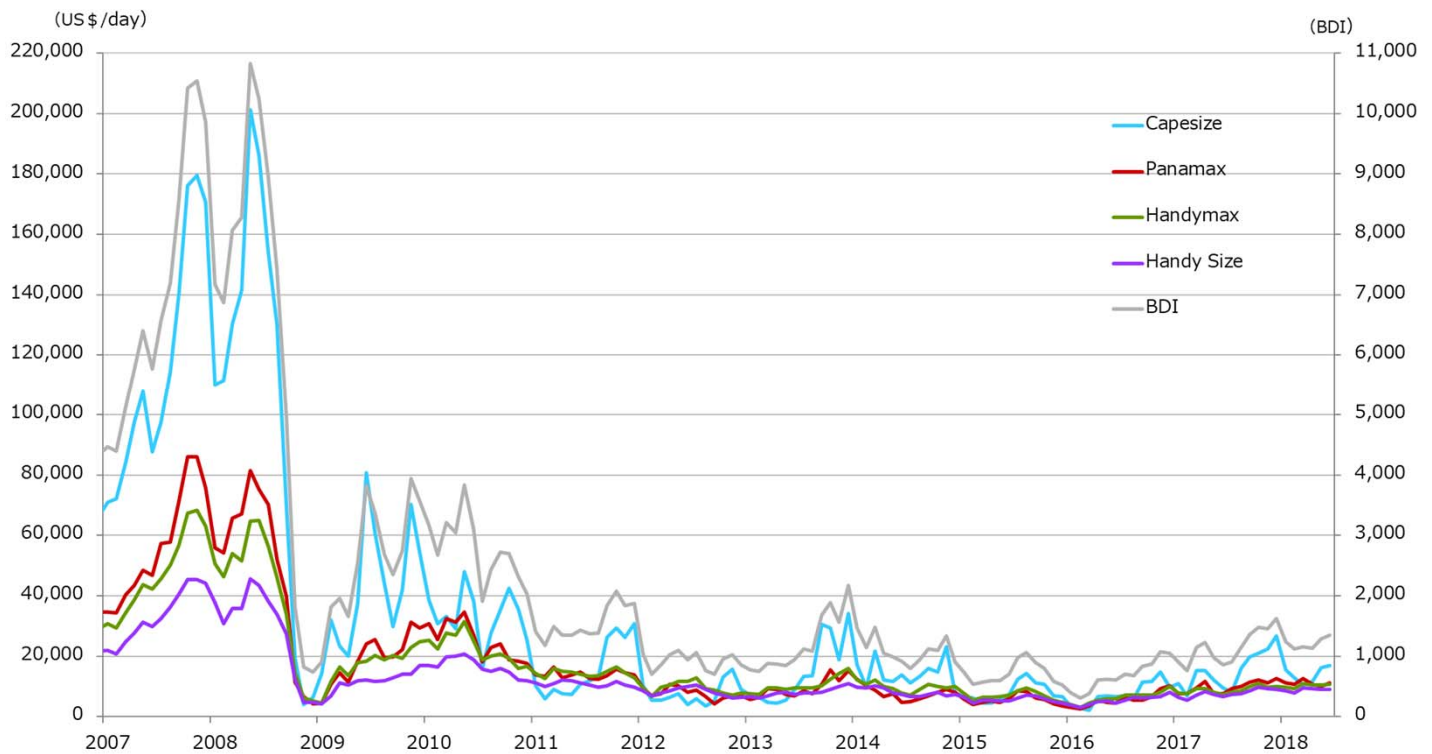
Unit: TEU/Week

● Location of Container Terminal of MOL, NYK, and K-Line (excluding Japan)



refer to "Market Data" for the latest data available on our web site (<http://www.mol.co.jp/en/ir/data/market/index.html>)

● **Dry Bulker Markets (Spot Charter Rate/TC Average) : Monthly Average**

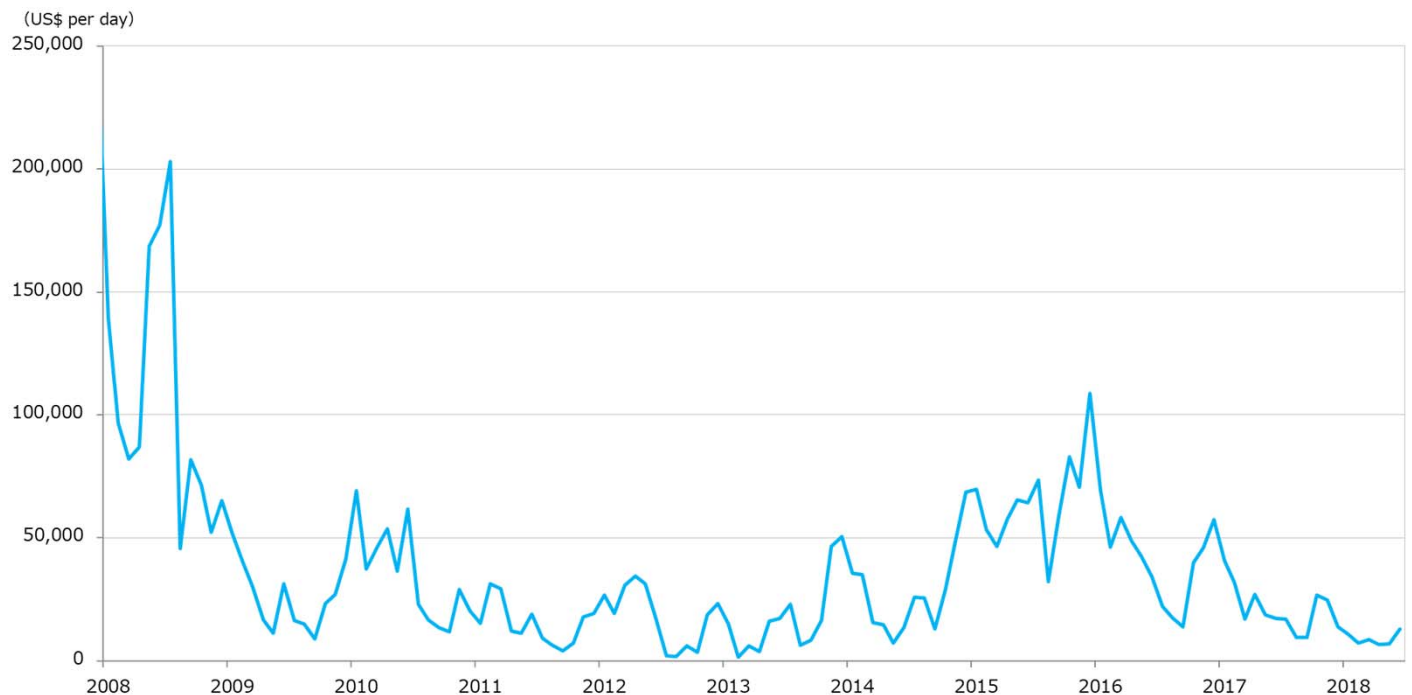


(Remarks)

(Source: MOL internal calculation based on TDS and others.)

- Capesize TC average : until April 2014=4TC, in/after May 2014=5TC(new)
- BDI (Baltic Dry Index) is calculated as an arithmetic average of the drybulker markets of the four different vessel types before March 2018 and the three different vessel types except for Handy size after March 2018. Therefore, a fluctuation of BDI does not always coincide with those of the four drybulker markets.

● **VLCC Market (Spot Earning) : Monthly Average (AG→Japan)**



(Source: MOL internal calculation based on Clarksons Research)

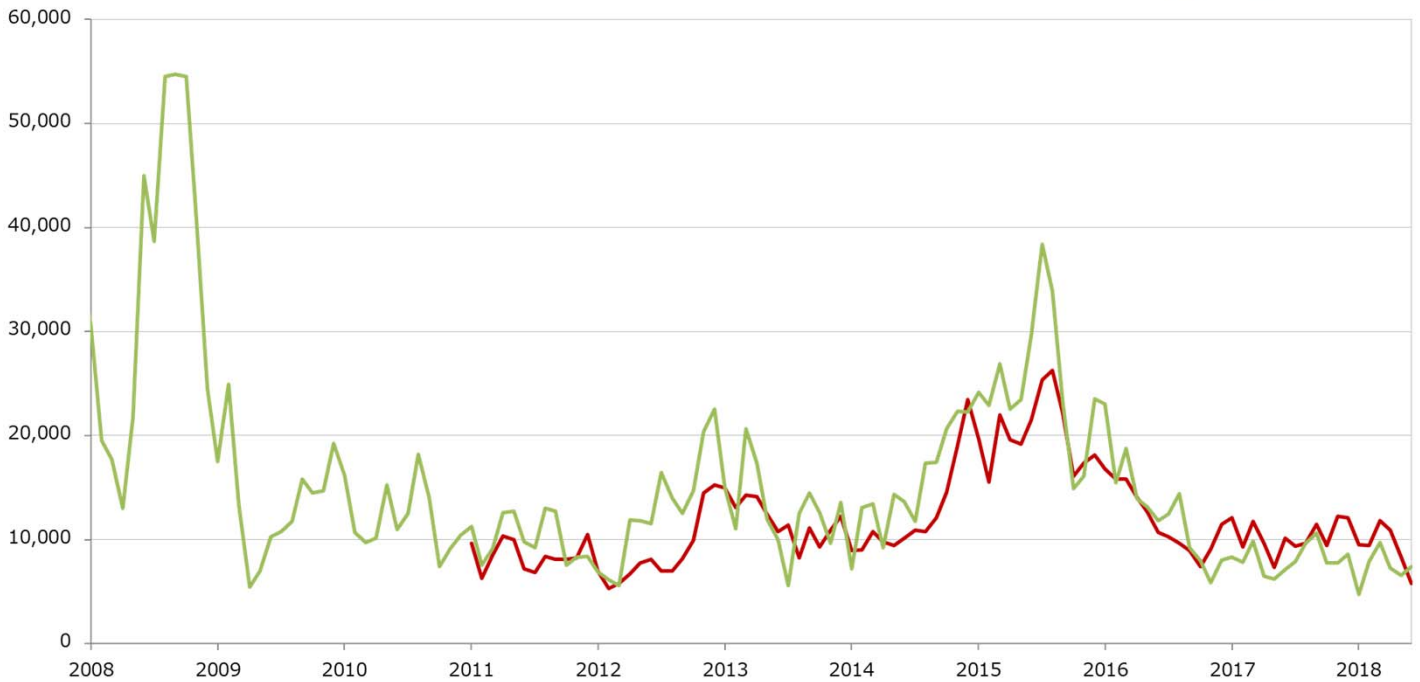
☛ refer to "Market Data" for the latest data available on our web site (<http://www.mol.co.jp/en/ir/data/market/index.html>)

● **Product Tanker Markets (Spot Earnings) : Monthly Average**

(LR : AG→Japan, MR : Main 5 Trades)

(US\$ per day)

—MR —LR



(Source: MOL internal calculation based on Clarksons Research)

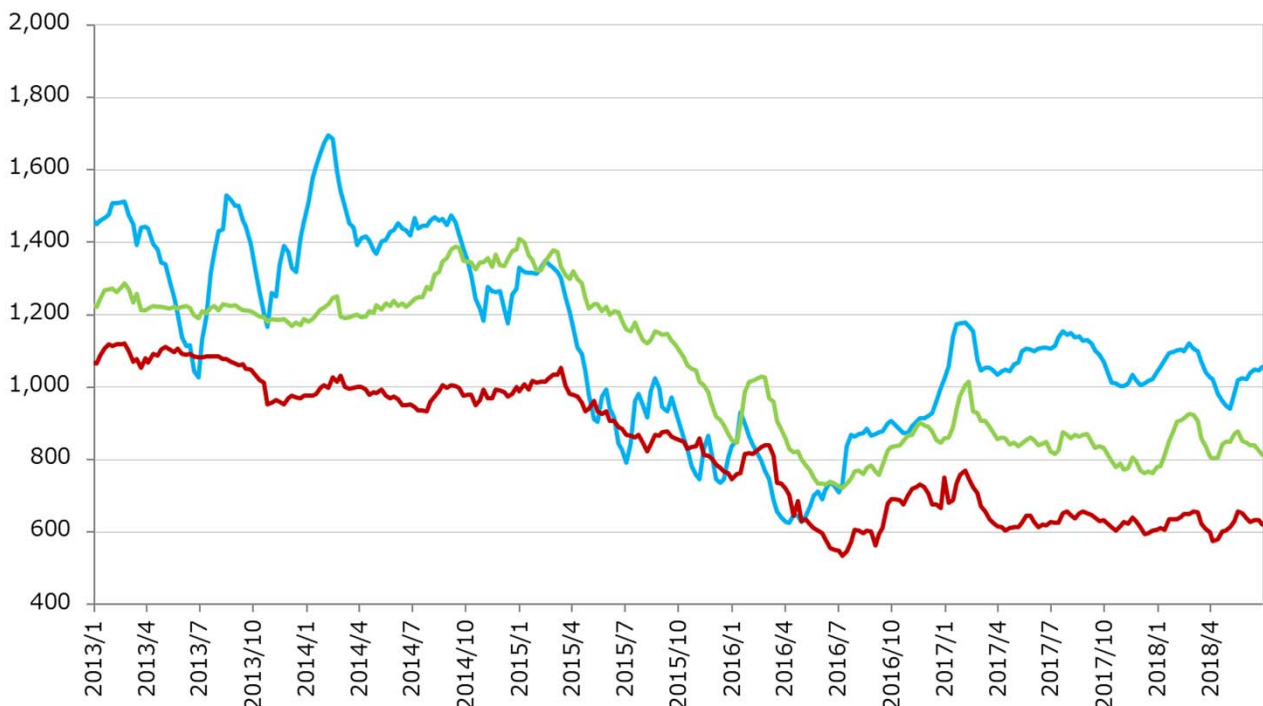
(Remarks)

MR Product Tanker market is simple average of main 5 trades : Europe – US, US – Europe, Singapore – Australia, South Korea – Singapore, and India – Japan, which is available from 2011/1.

● **CCFI (CCFI : China Containerized Freight Index*)**

(1/1/1998=1,000)

—Europe Trade —TP Trade(U.S. West Coast) —TP Trade(U.S. East Coast)

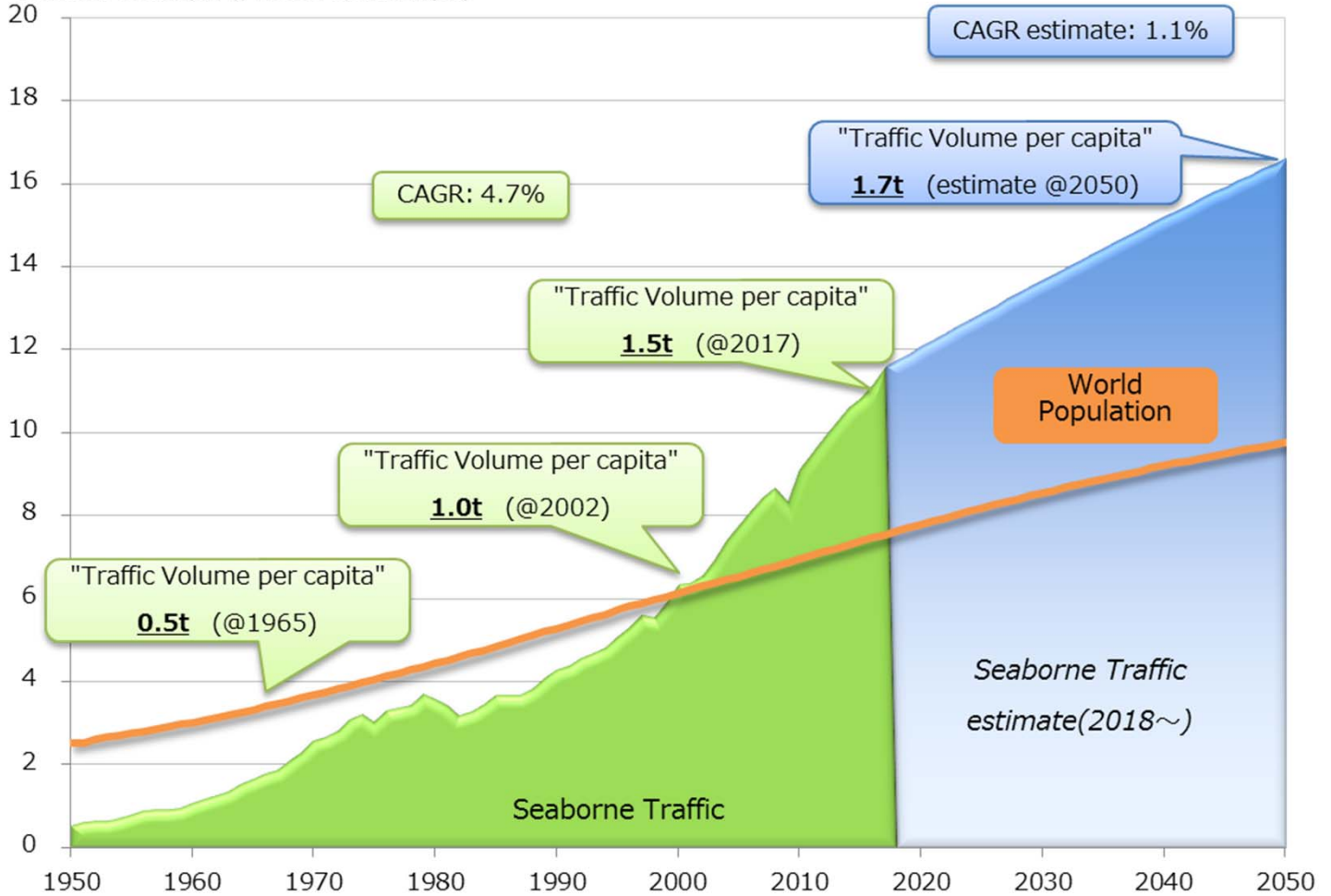


(Source: SSE)

(*)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.

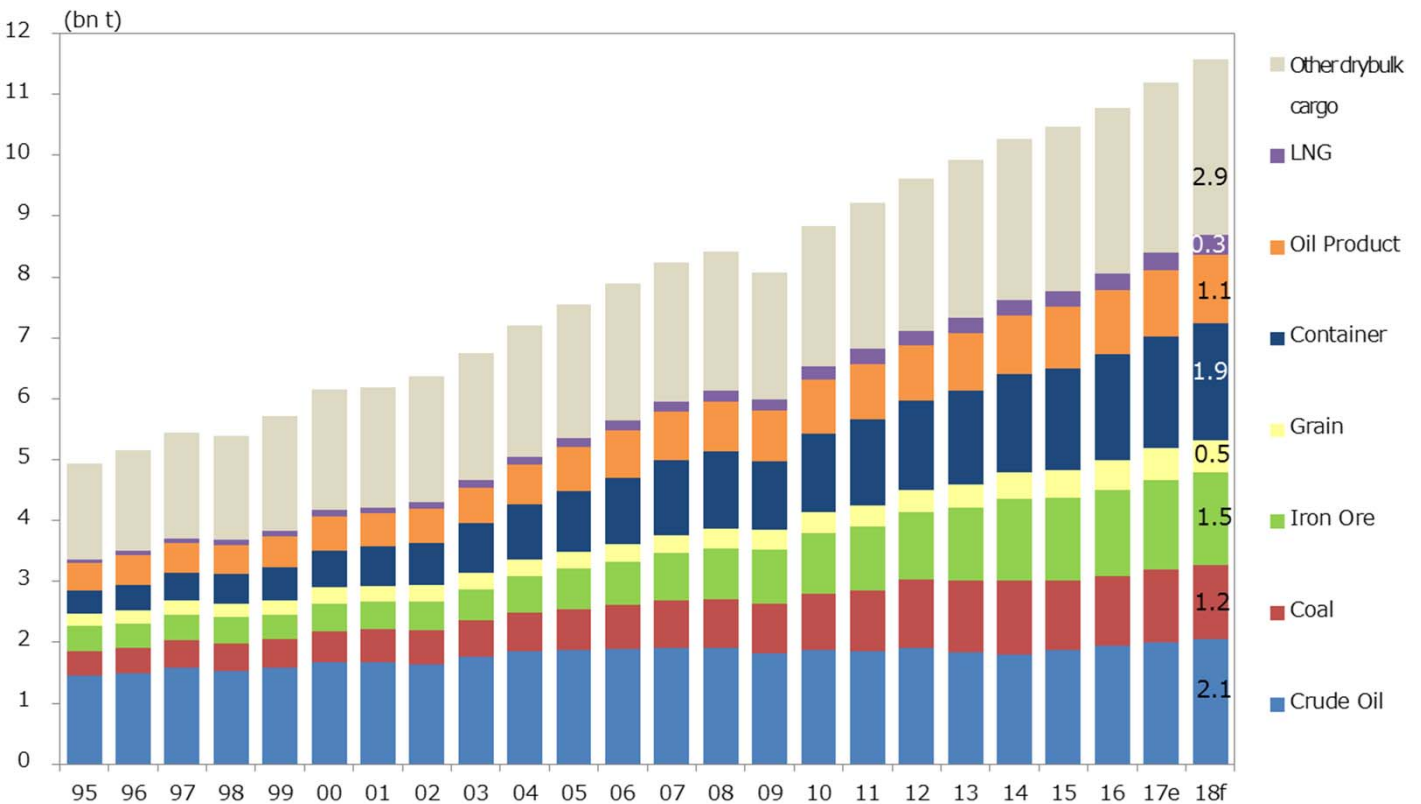
● World Population & Global Seaborne Traffic

Seaborne Traffic(bn t)/World Population(bn)



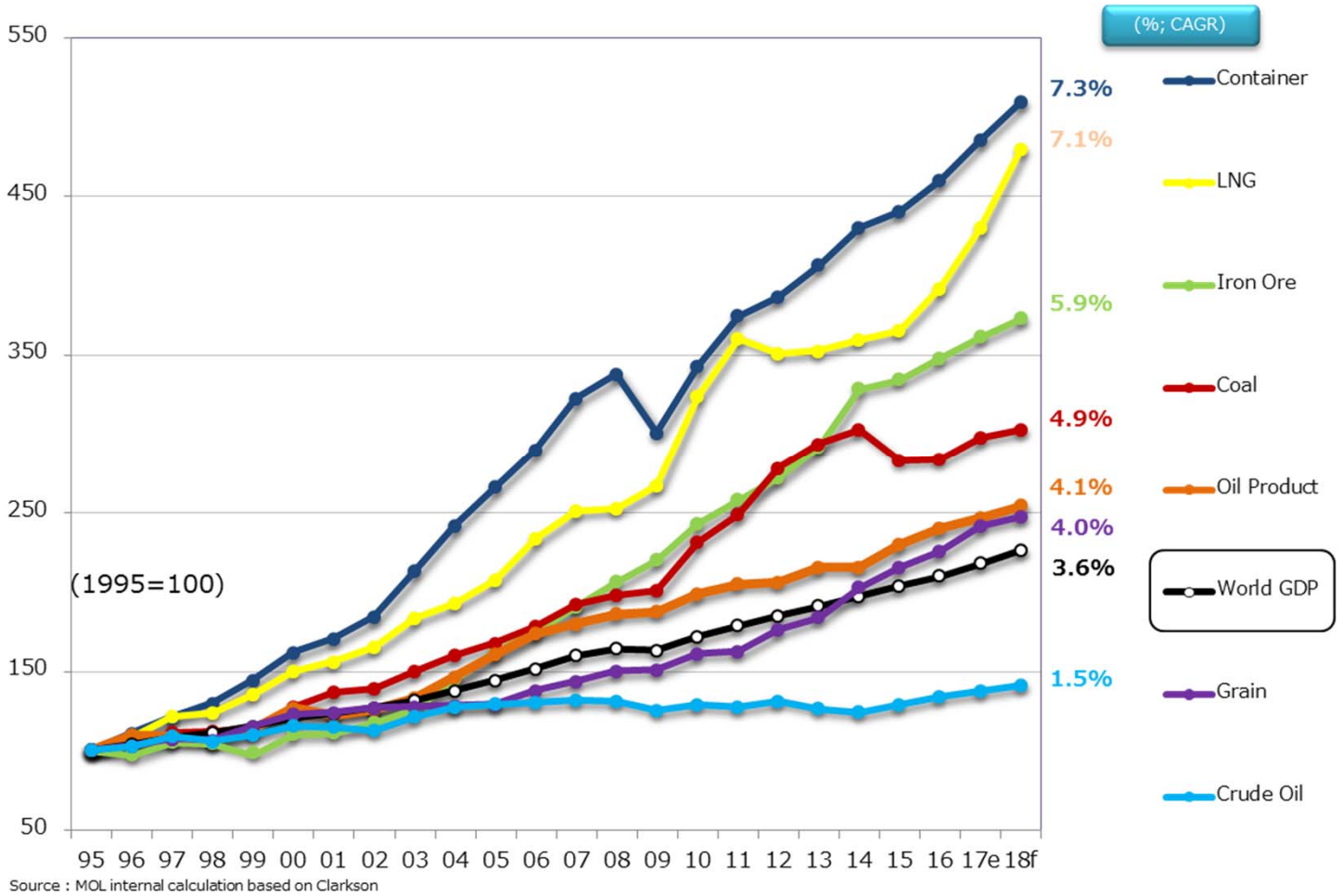
Source: World population=UN, Seaborne traffic=Fearnley/Clarksons(~2014), MOL estimation based on assumption that the trend of traffic per capita in the past continues in the future(2015~)

● Seaborne Traffic by Commodity

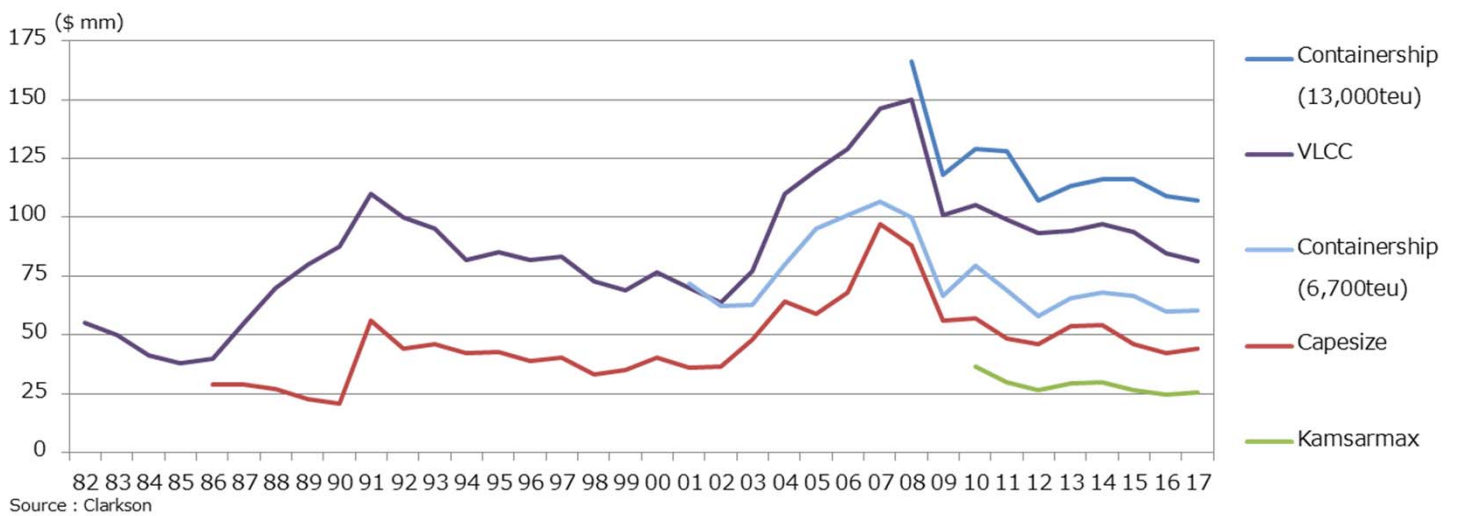


Source : Clarkson

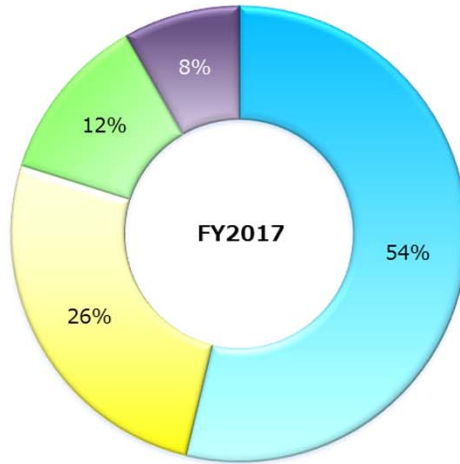
● Growth of World GDP & Seaborne Traffic by Commodity



● (Ref.) Ship Prices

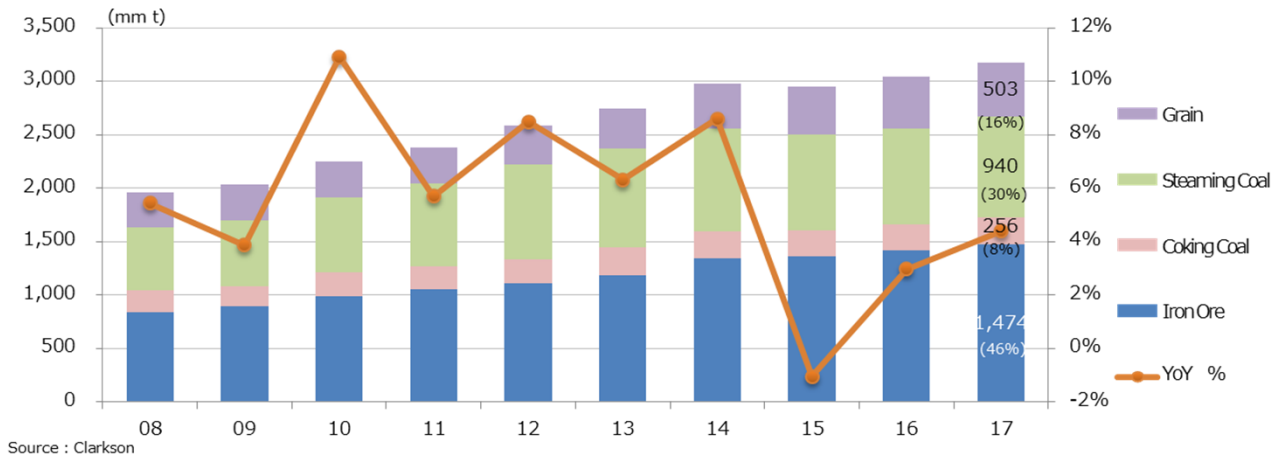


● MOL Dry Bulkers : Revenue Breakdown(Consolidated)



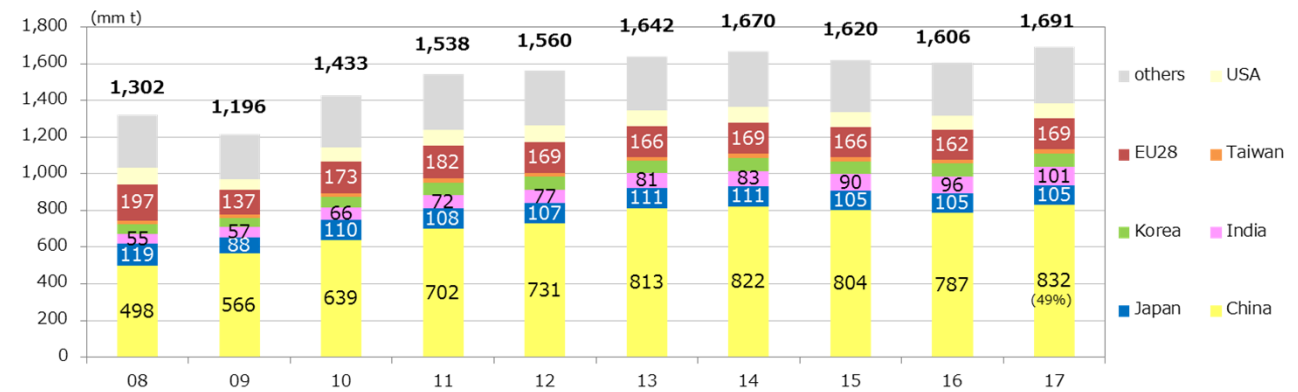
- Iron ore & coal carrier
- General bulk carrier
- Wood chip carrier
- General cargo carrier/Heavy Lifter

● Global Seaborne Trade of Major Dry Bulk Cargoes



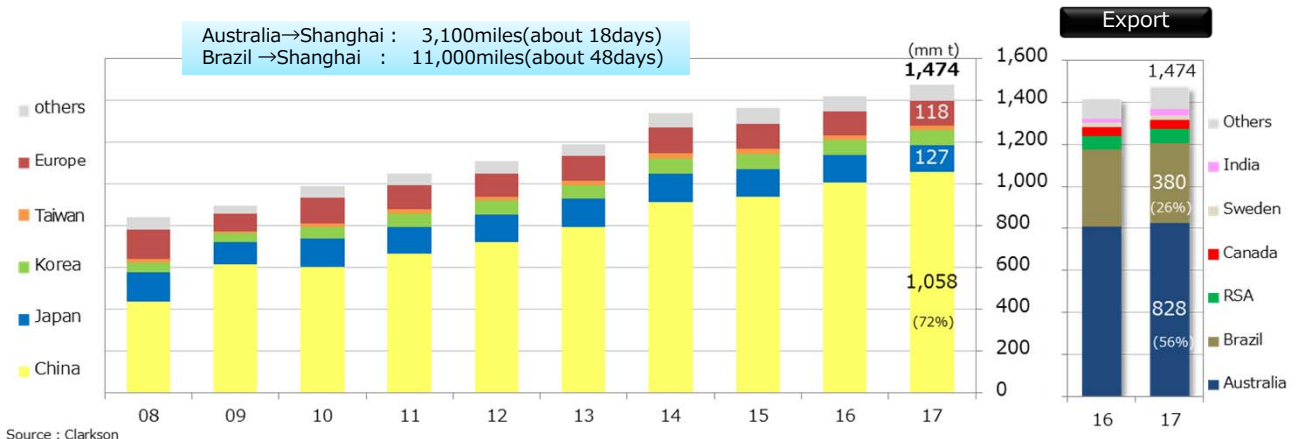
Source : Clarkson

● Crude Steel : Global Production by Area



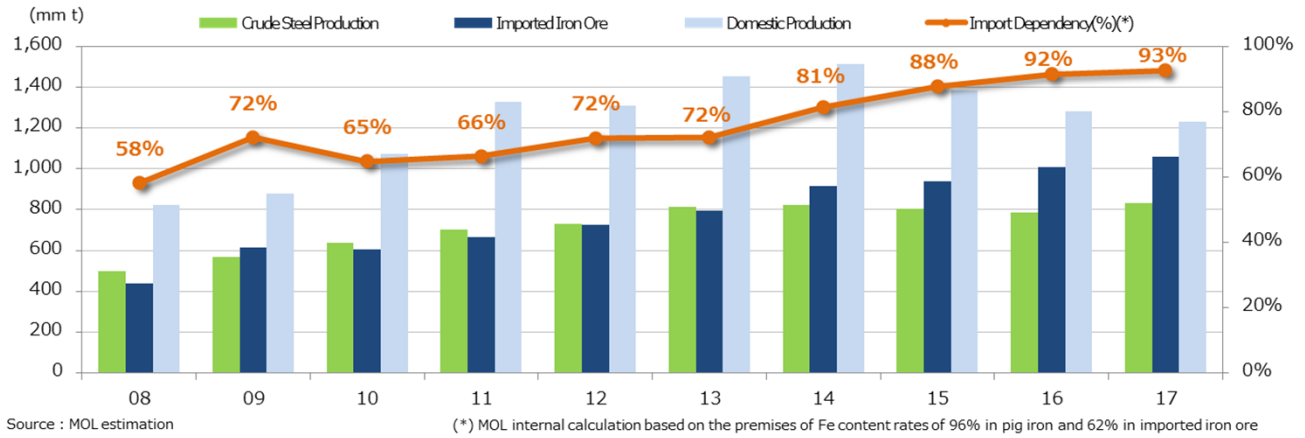
Source : WSA

● Iron Ore : Global Seaborne Trade by Import Area

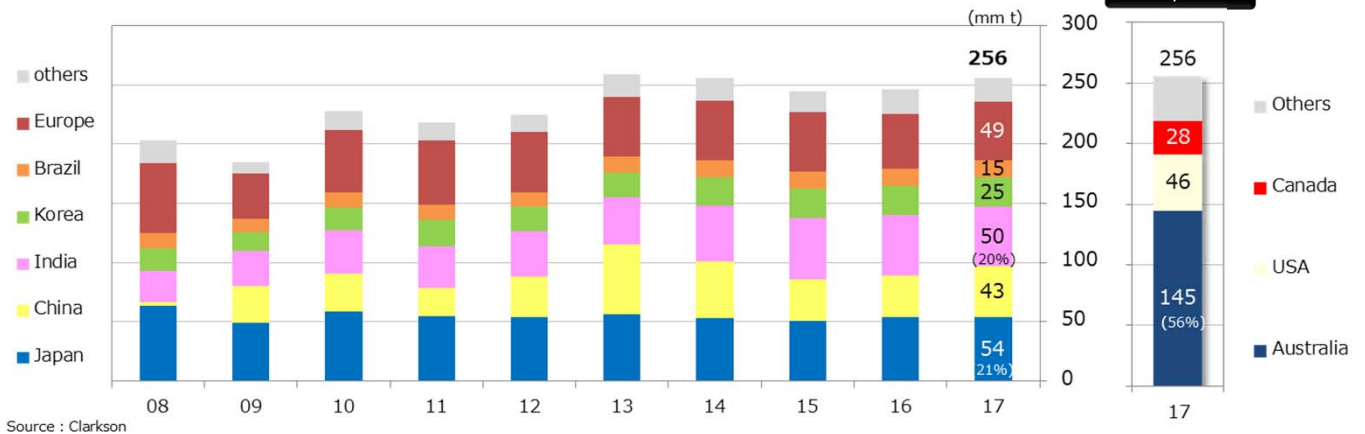


Source : Clarkson

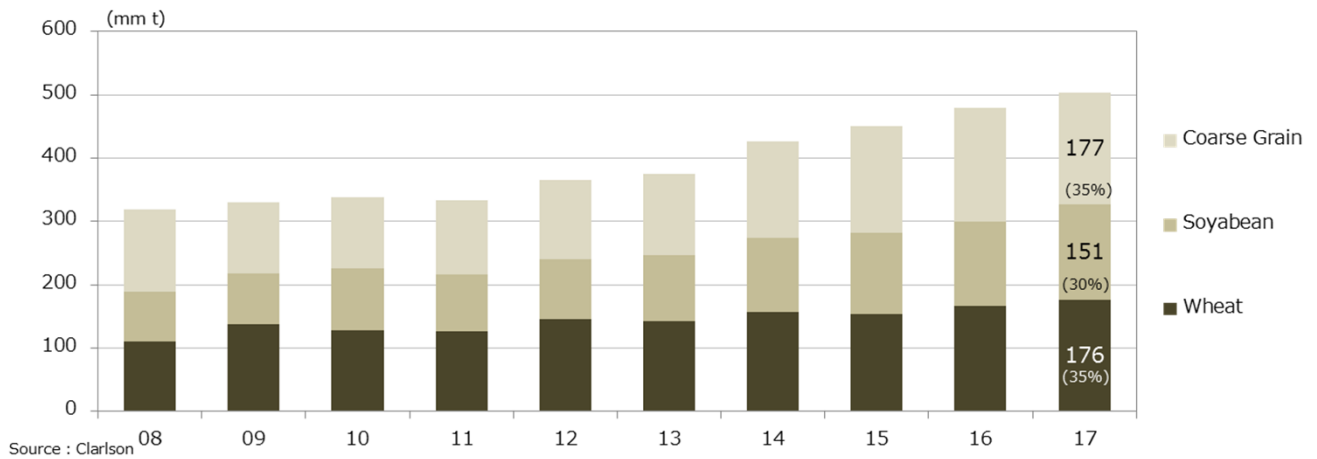
● China : Dependence on Imported Iron Ore



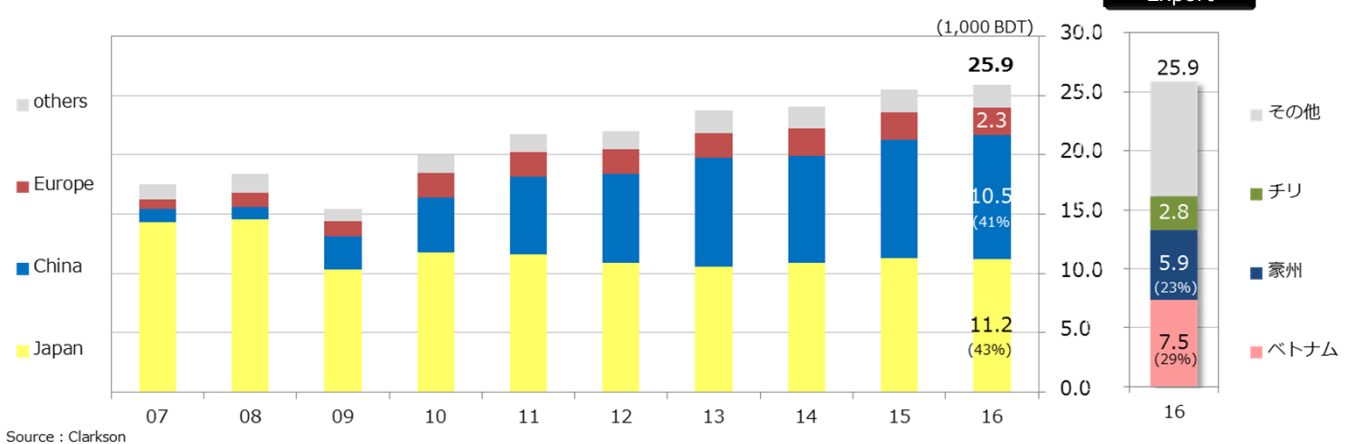
● Coking Coal : Global Seaborne Trade by Import Area



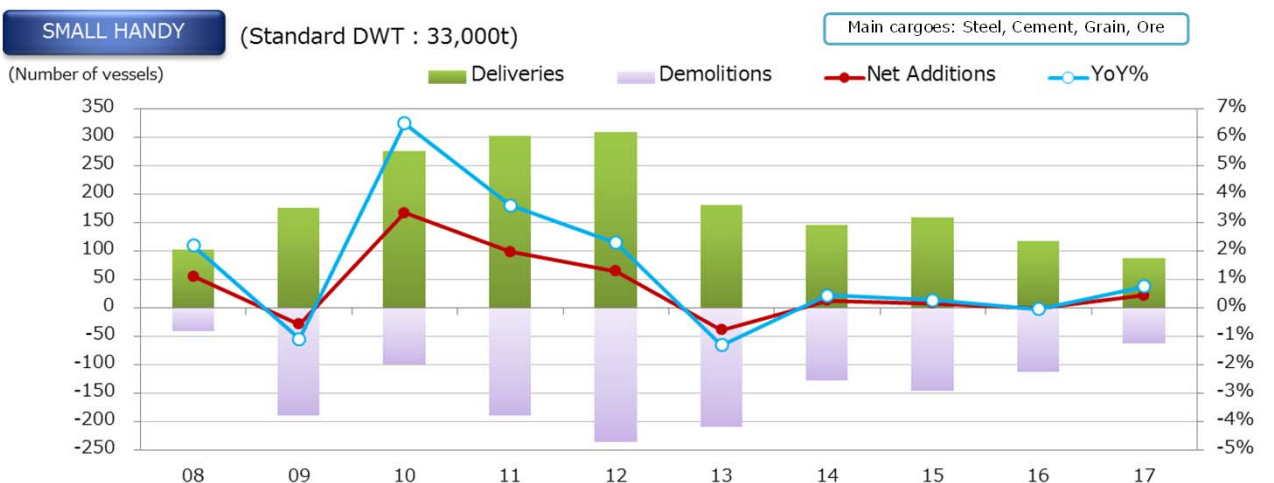
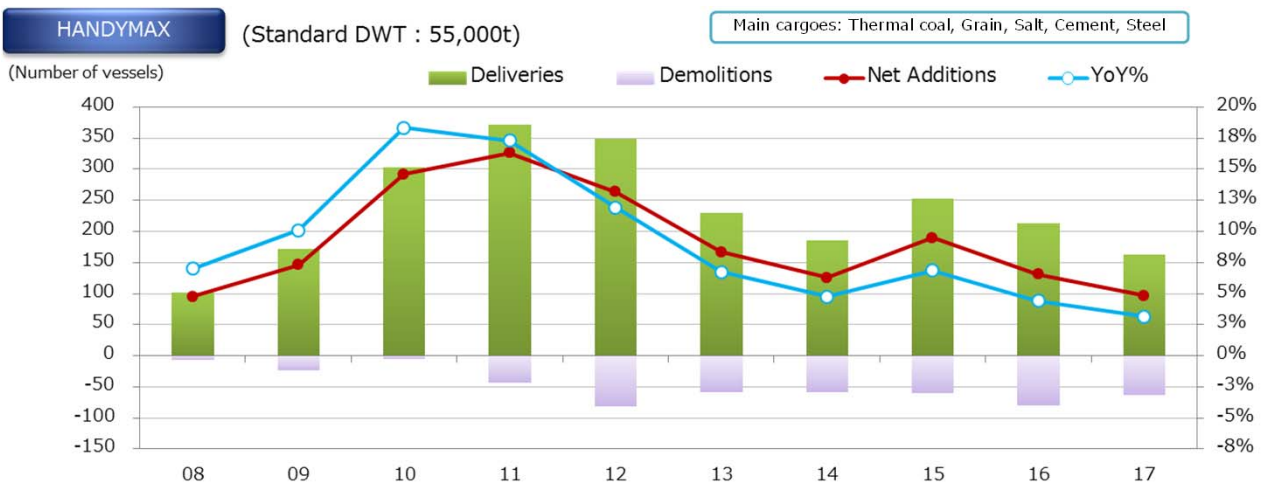
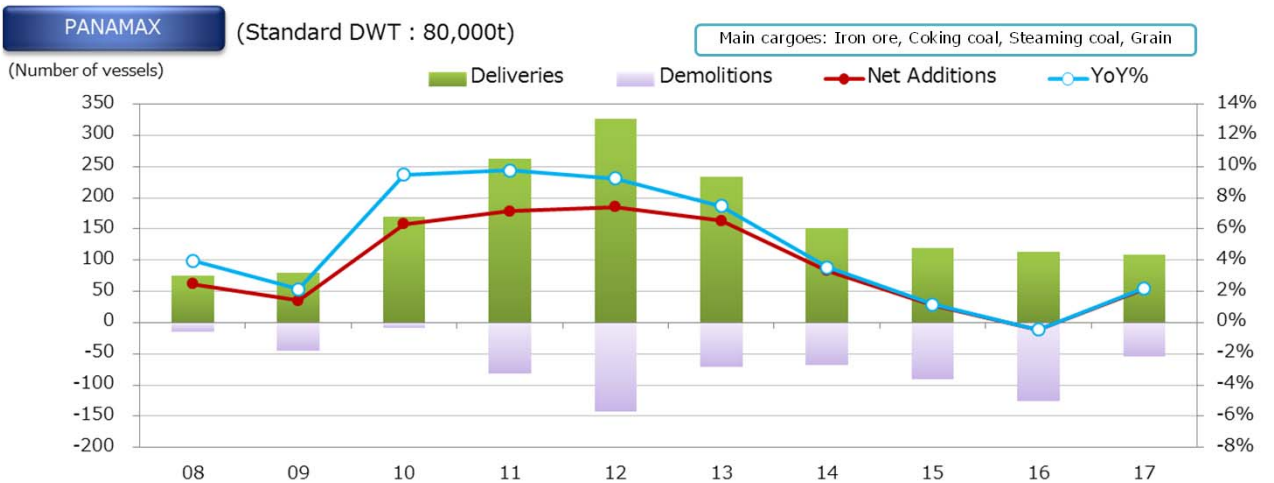
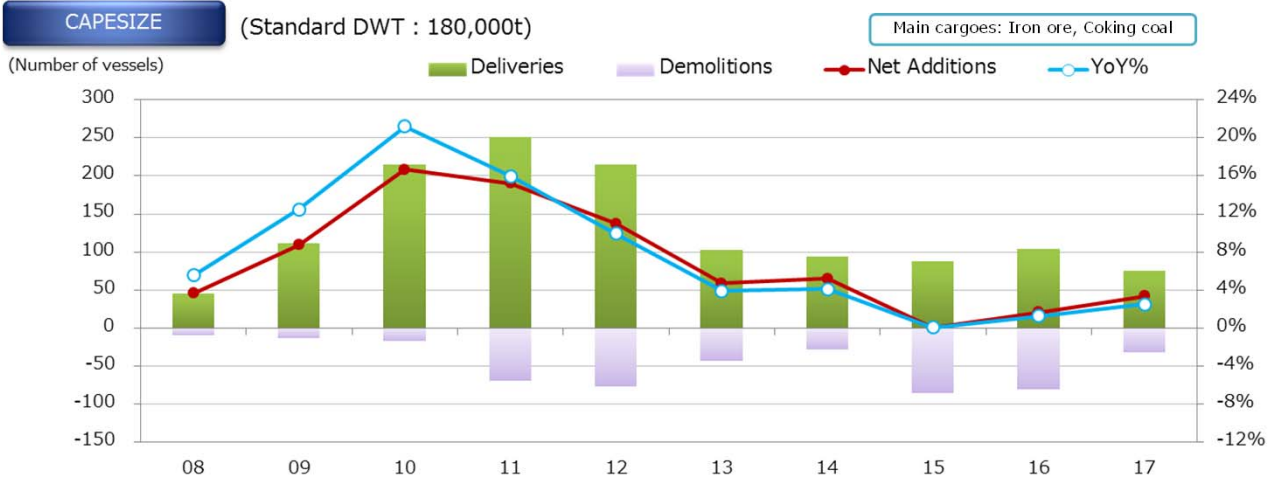
● Grain : Global Seaborne Trade by Commodity



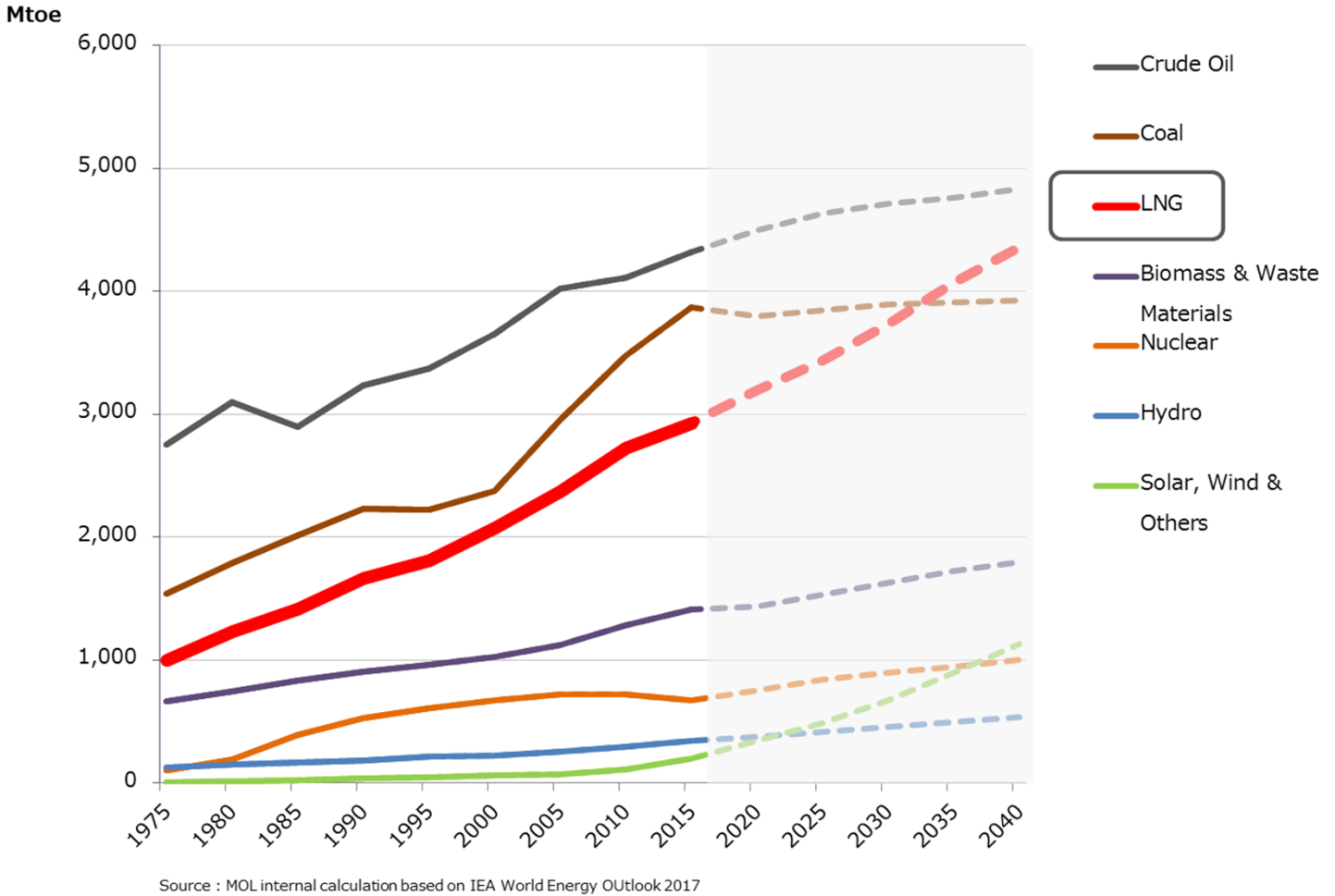
● Wood Chip : Global Seaborne Trade by Import Area



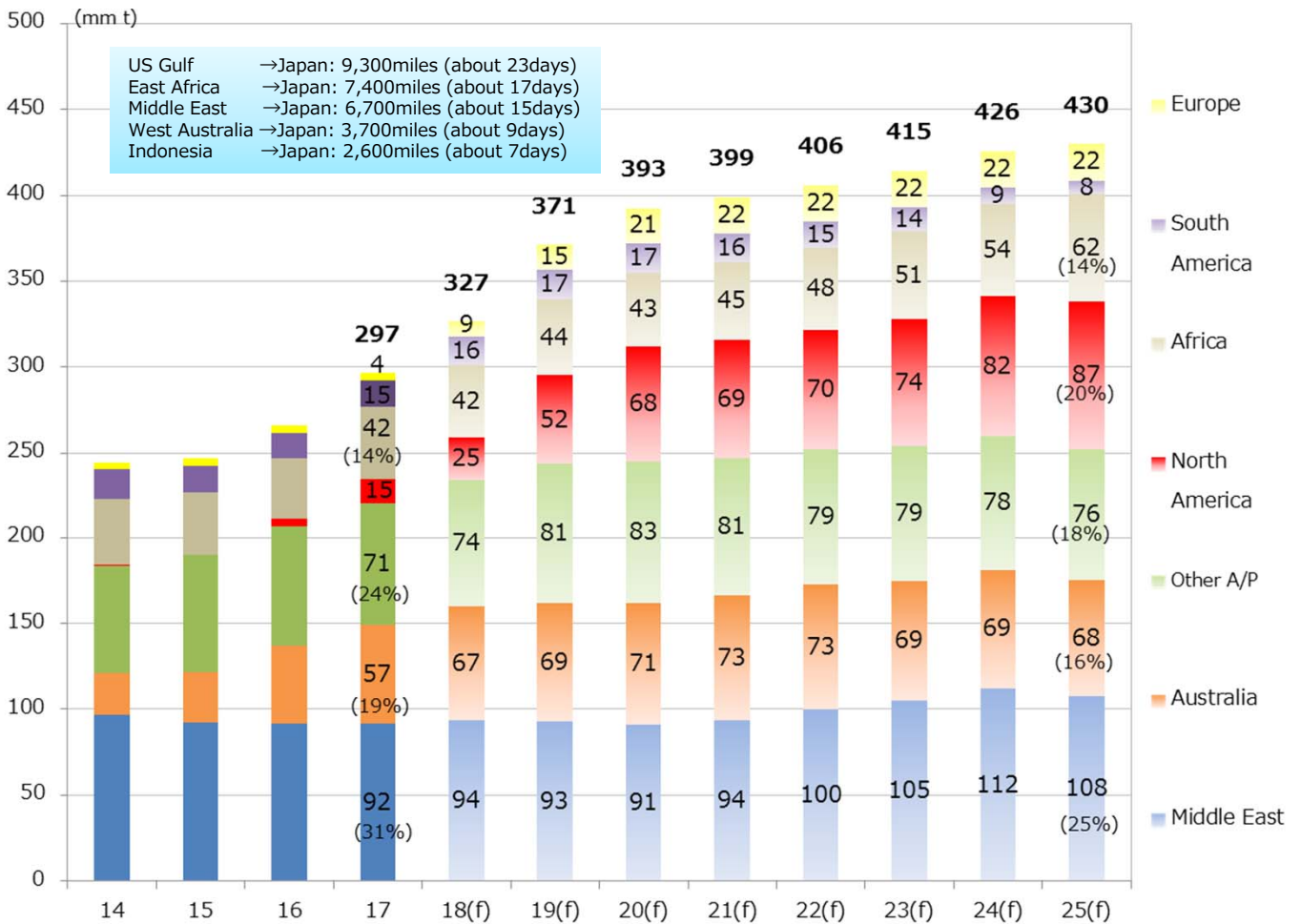
● **Vessel Supply** (Source : MOL internal calculation based on IHS-Fairplay)



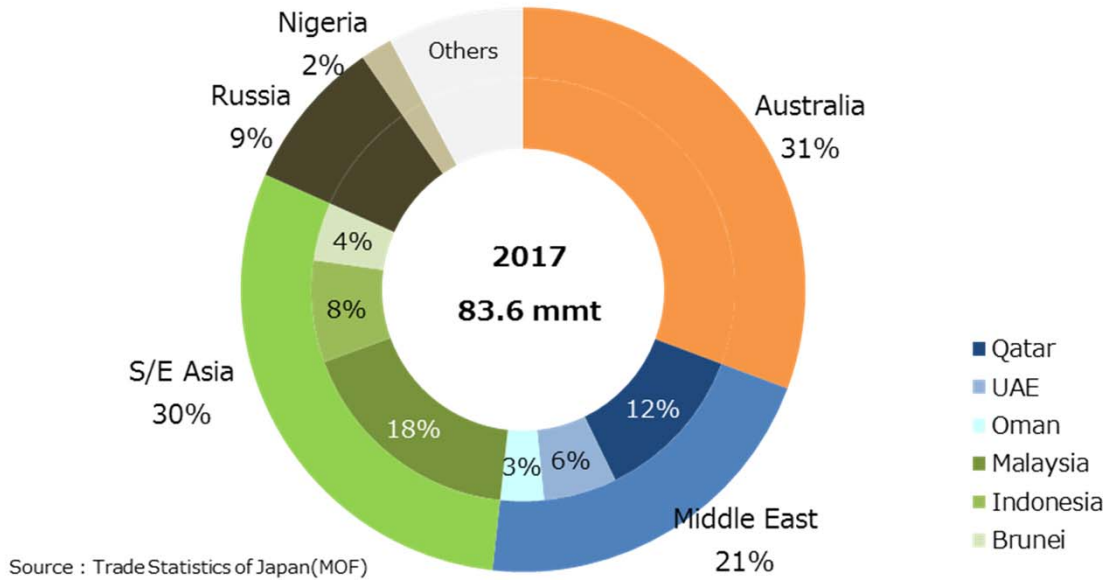
● Demand Forecast of Primary Energy



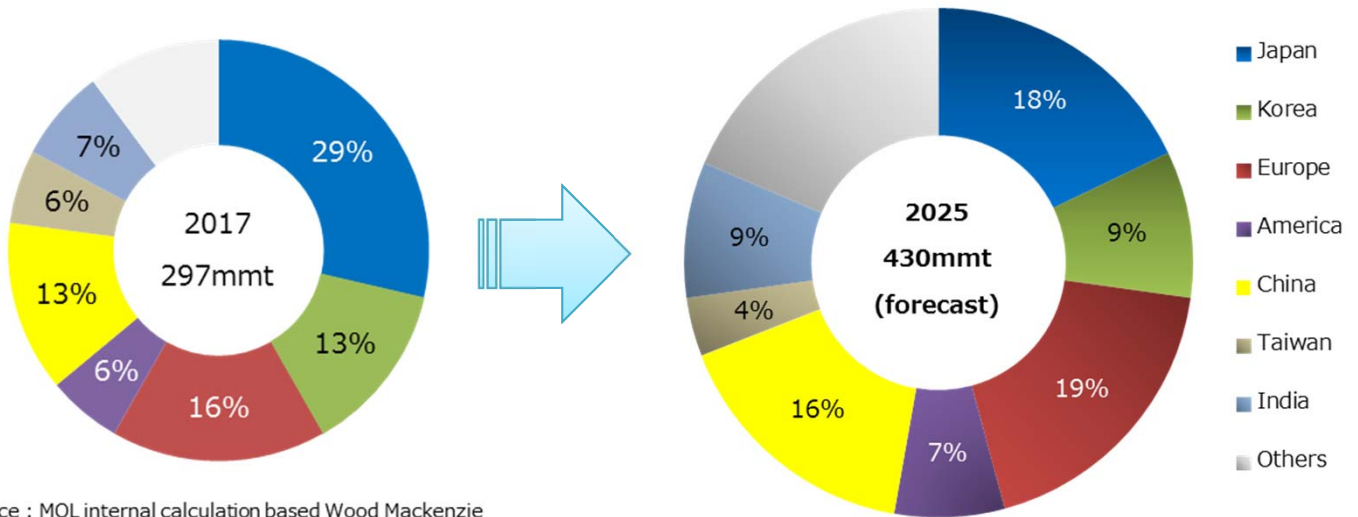
● LNG : Seaborne Trade (Result & Forecast)



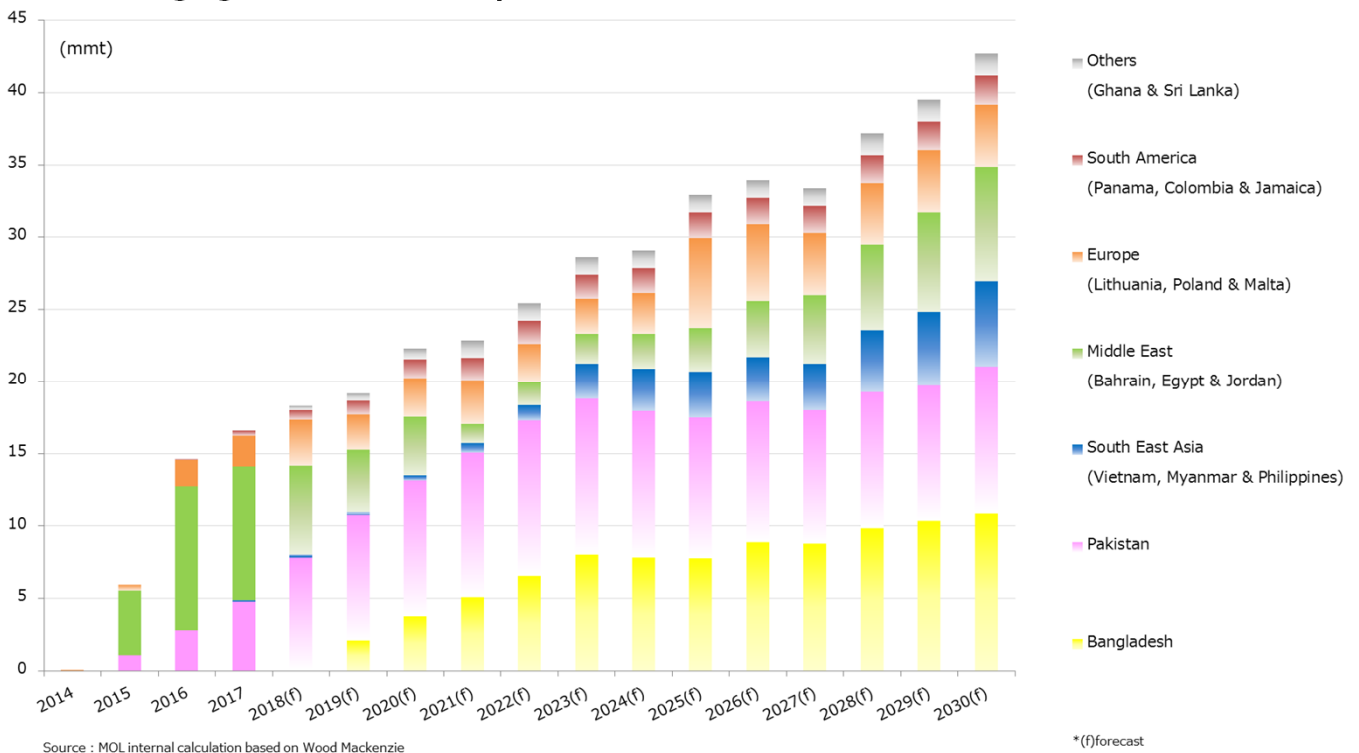
● Japan : Import % of LNG by Nation of Origin



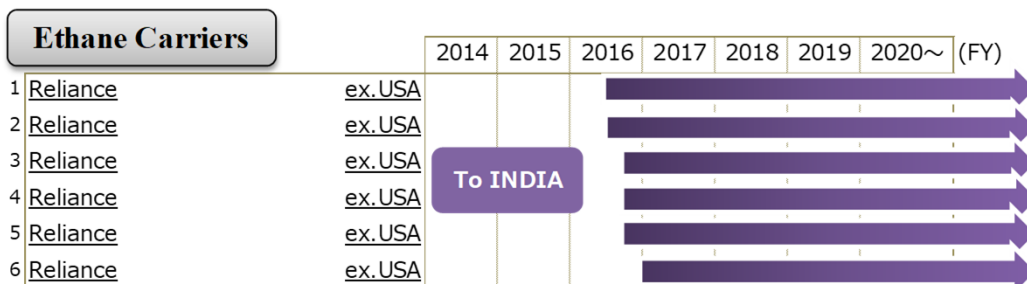
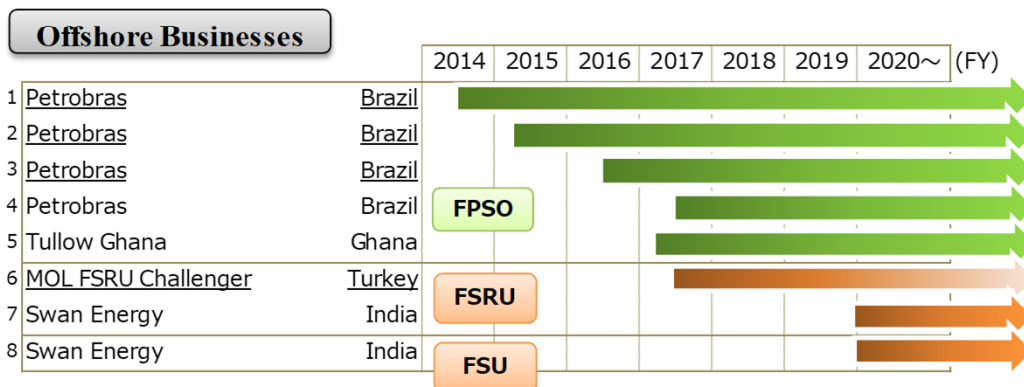
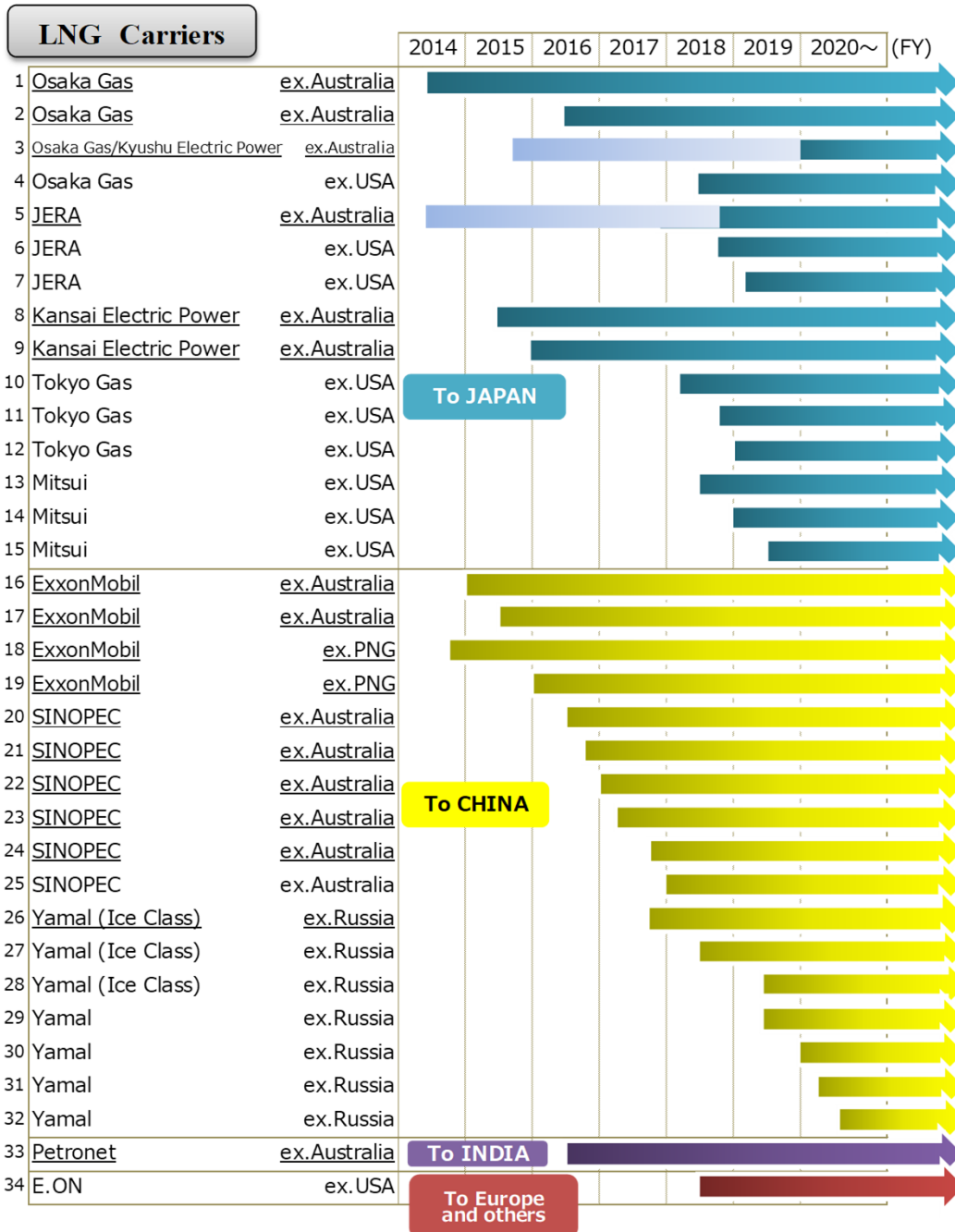
● LNG : Demand Forecast by Area



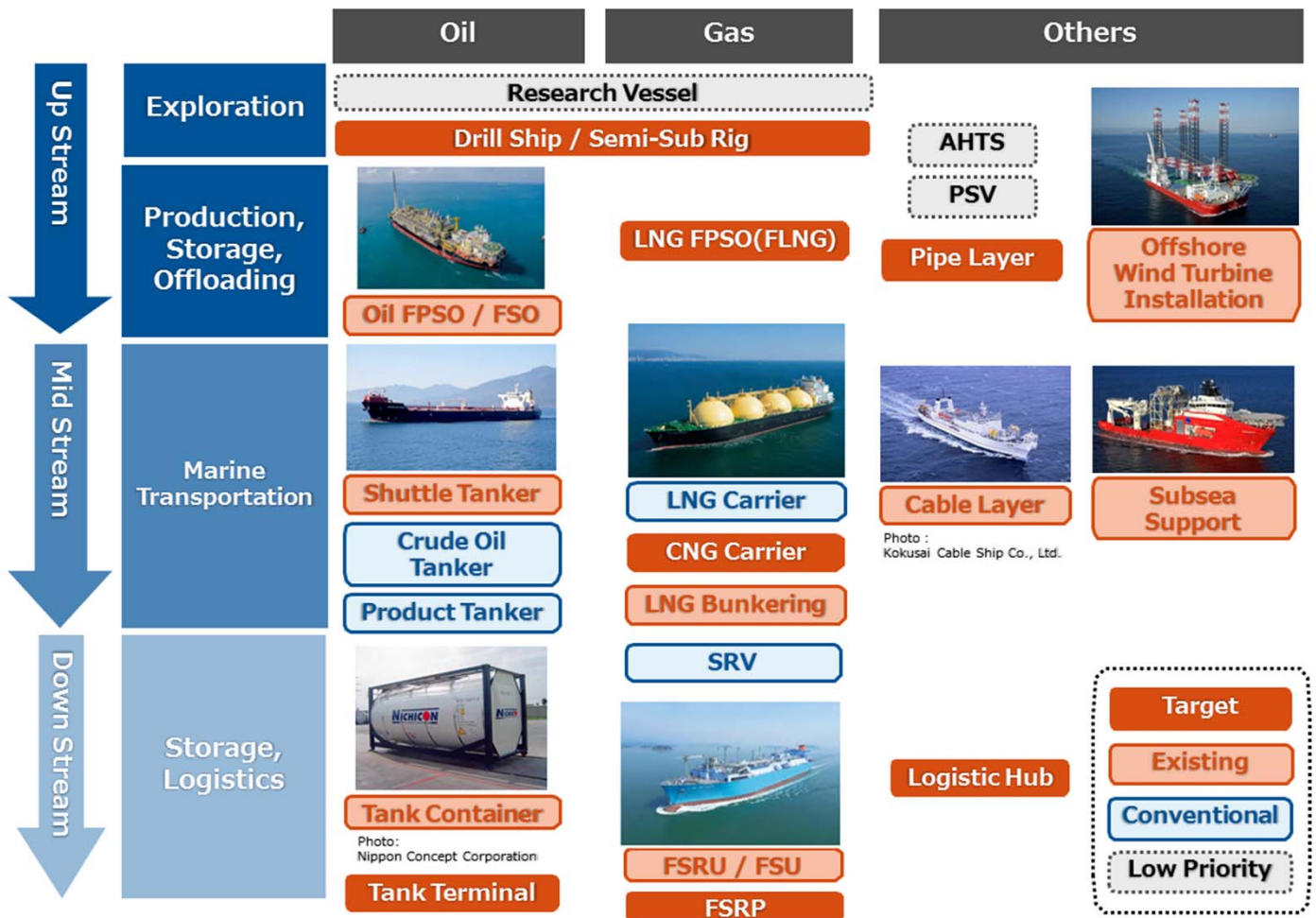
● LNG : Emerging Market of LNG Import



● MOL : Signed Long-Term Contracts as of Mar.2018 (to start in/after Apr.2014) ***Bold**=In operation



● MOL : Offshore Business in Energy Value Chain



● FPSO (Floating Production, Storage and Offloading System)



A floating facility for producing crude oil offshore. The crude oil is stored in tanks in the facility and directly offloaded to shuttle tankers for direct transport to the destination.

Photo: MODEC, Inc.

● Self-Elevating Platform Vessel



The platform is equipped with legs that rest on the seabed and move up and down. The vessel installs offshore wind power generation systems by moving the platform up to the sea surface with a crane. By raising and maintaining a level higher than the waves, the generators can operate even in rough seas. It can be used not only to install offshore wind power generation systems, but also to help maintain offshore oil and gas rigs.

● Subsea Support Vessel



Vessels designed for arrangement and technical support work during exploitation of offshore oil and gas fields.

● Shuttle Tanker



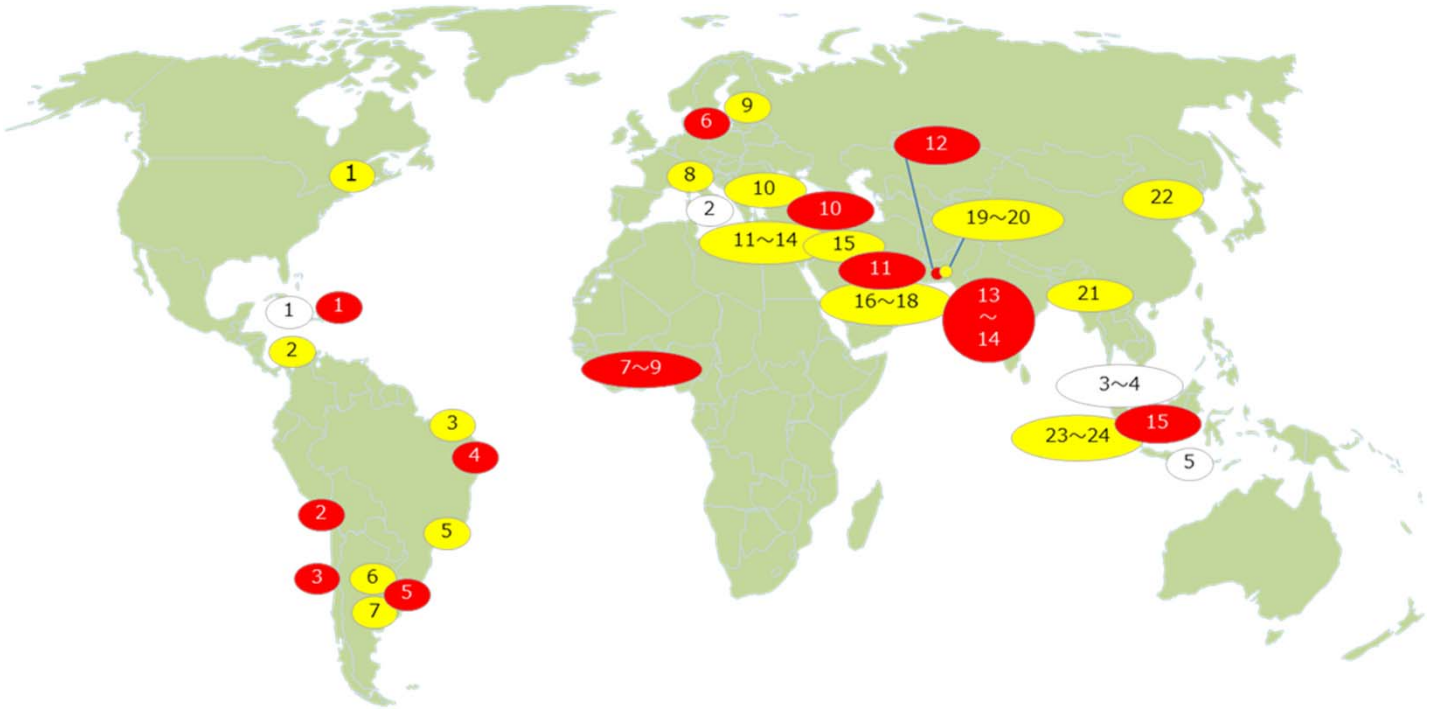
Tankers that transport crude oil from offshore oil rigs, such as FPSOs, to onshore refineries as an alternative means of pipelines. Shuttle tankers are fitted with a unique system that enables cargo to be loaded from the bow of the vessel, rather than from the side like ordinary tankers, while maintaining a certain distance from the offshore platform.

● FSRU (Floating Storage and Regasification Unit)



A floating facility for storing and regasification of LNG offshore, which is then pressurized and piped ashore. Plans to introduce FSRUs in regions around the world are making steady progress as they can be set up in less time and with less cost than conventional onshore receiving terminals.

● Geographical Expansion of LNG Import through FSRU

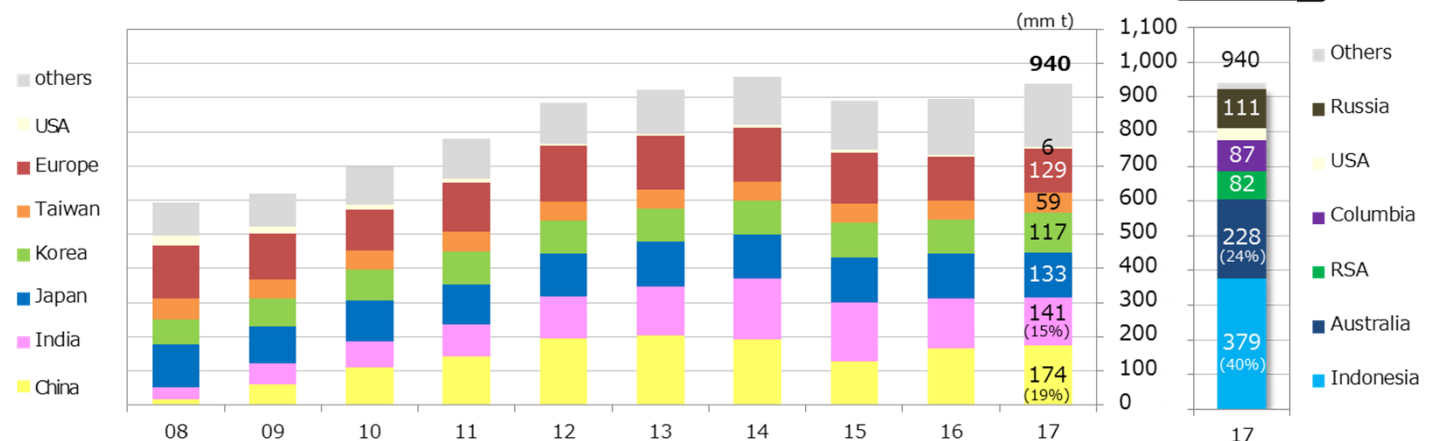


FSRU in operation (24)					
①	U.S.	Northeast Gateway	⑬	Israel	Hadera Gateway
②	Colombia	SPEC	⑭	Jordan	Aqaba
③	Brazil	Pecem	⑮	Kuwait	Mina Al-Ahmadi
④		Bahia	⑯	Abu Dhabi	Ruwais
⑤		Guanabara Bay	⑰⑱	UAE	Dubai LNG1/2
⑥	Argentina	Escobar	⑲	Pakistan	Gas Port
⑦		Bahia Blanca	⑳		Engro Elengy
⑧	Italy	OLT LNG Toscana	㉑	Bangladesh	Maheshkhali
⑨	Lithuania	Klaipeda	㉒	China	Tianjin
⑩	Turkey	ETKI	㉓	Indonesia	West Java
⑪⑫	Egypt	EGAS1/2	㉔		Lampung

FSU in operation (5)		
①	Jamaica	Jamaica FSU
②	Malta	Malta FSU
③④	Malaysia	Melaka FSU1/2
⑤	Indonesia	Benoa FRU/FSU

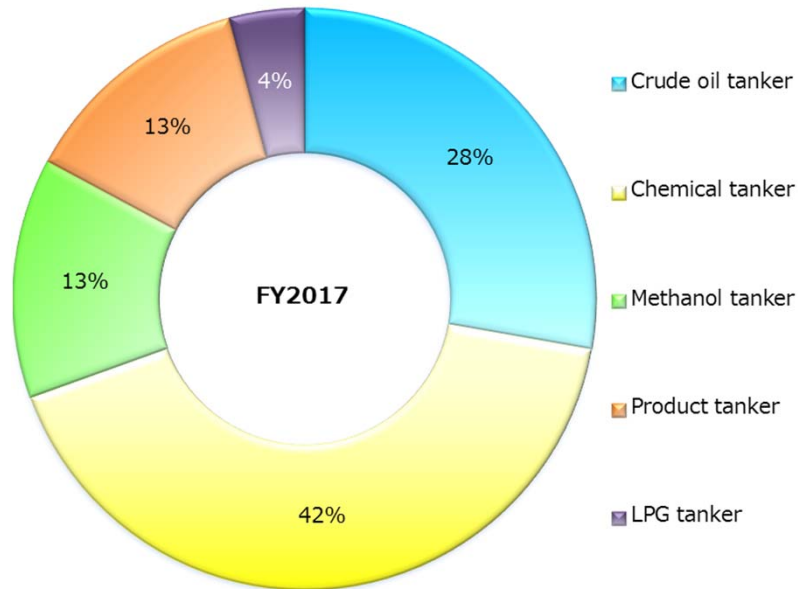
FSRU/FSU under construction/planned (15)					
①	Puerto Rico	Aguirre	⑧	Ghana	WAGL
②	Chile	Andes	⑨	Ghana	Quantum Power
③		Octopus	⑩	Turkey	Dortyol
④	Brazil	Sergipe	⑪	Bahrain	Bahrain FSU
⑤	Uruguay	GNL del Plata	⑫	Pakistan	GEIL FSRU
⑥	Russia	Kaliningrad	⑬	India	Swan
⑦	Ivory Coast	CI GNL	⑭		H-Energy
			⑮	Indonesia	Jawa-1

● Steaming Coal : Global Seaborne Trade by Import Area

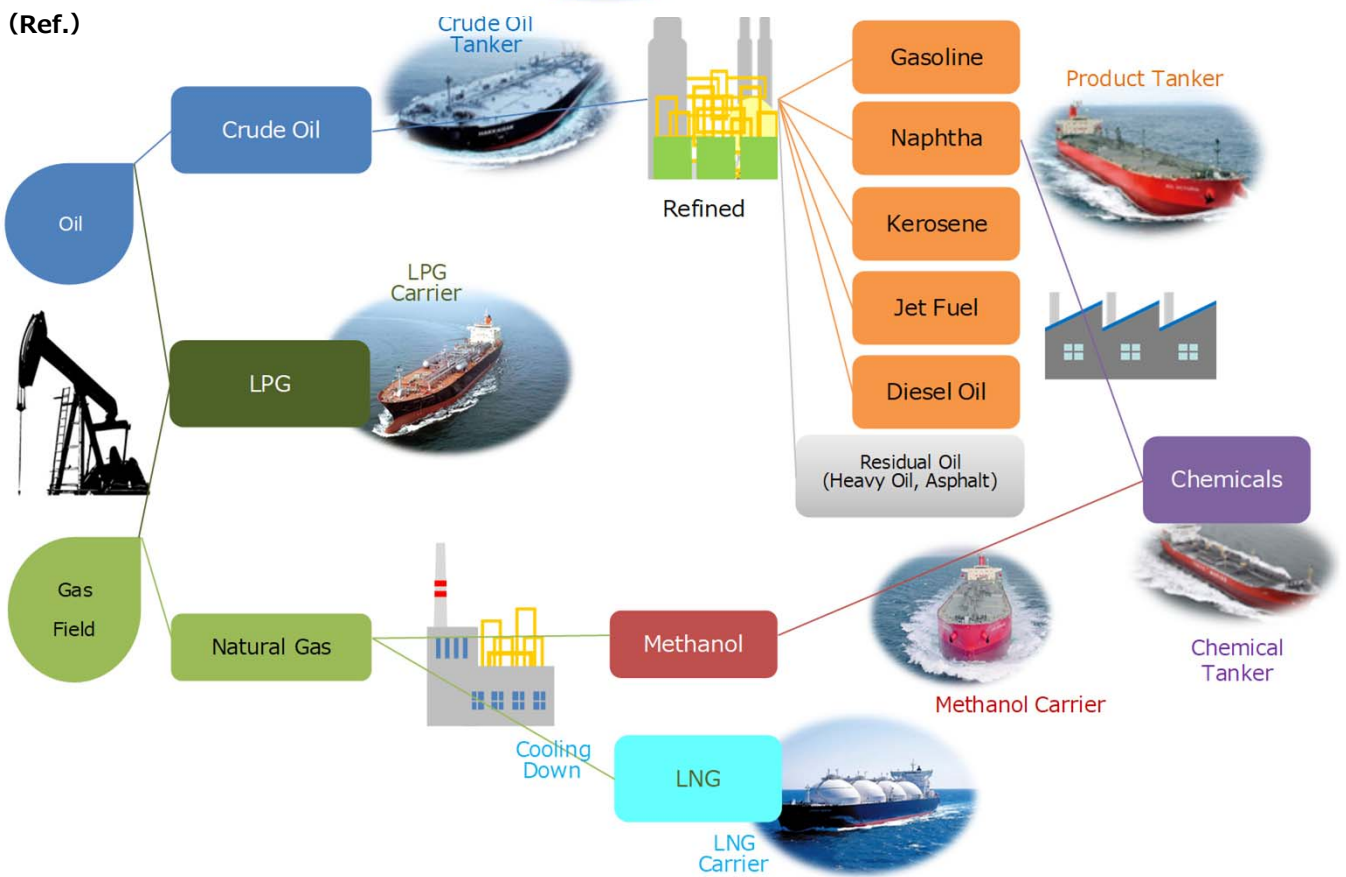


Source : Clarkson

● MOL Tankers : Revenue Breakdown(Consolidated)



(Ref.)

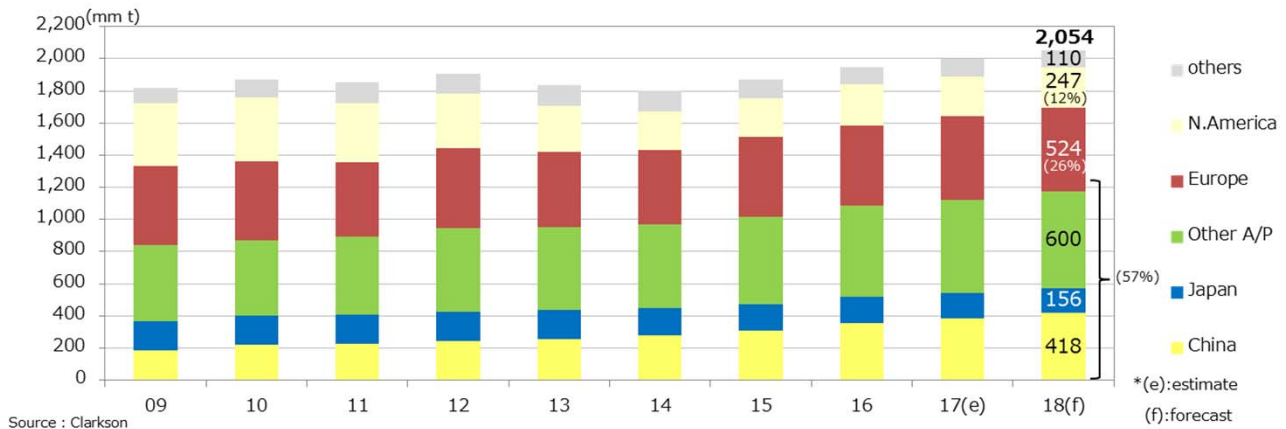


● Oil : Global Demand

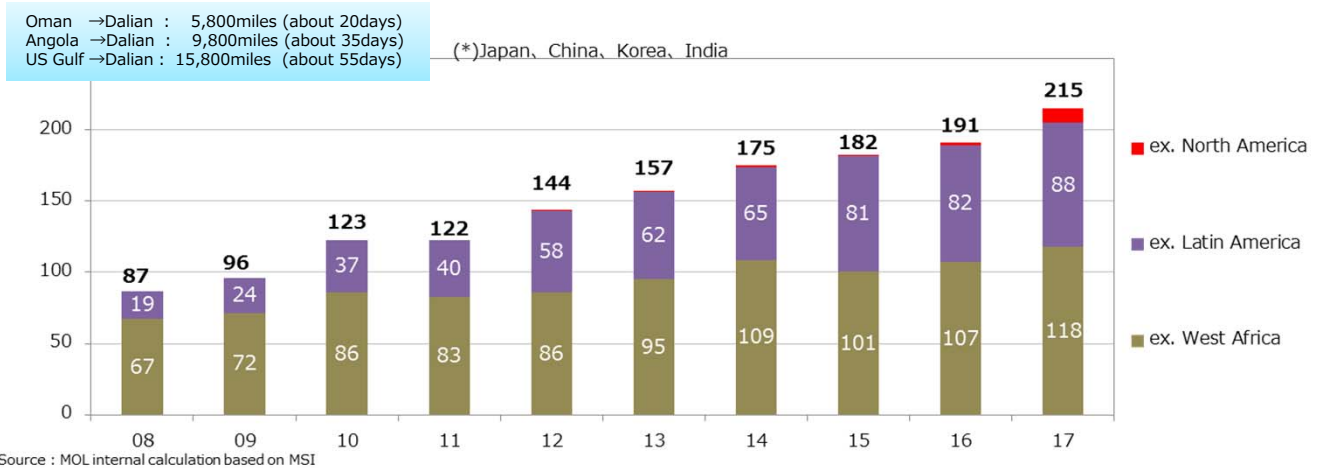


Source : IEA

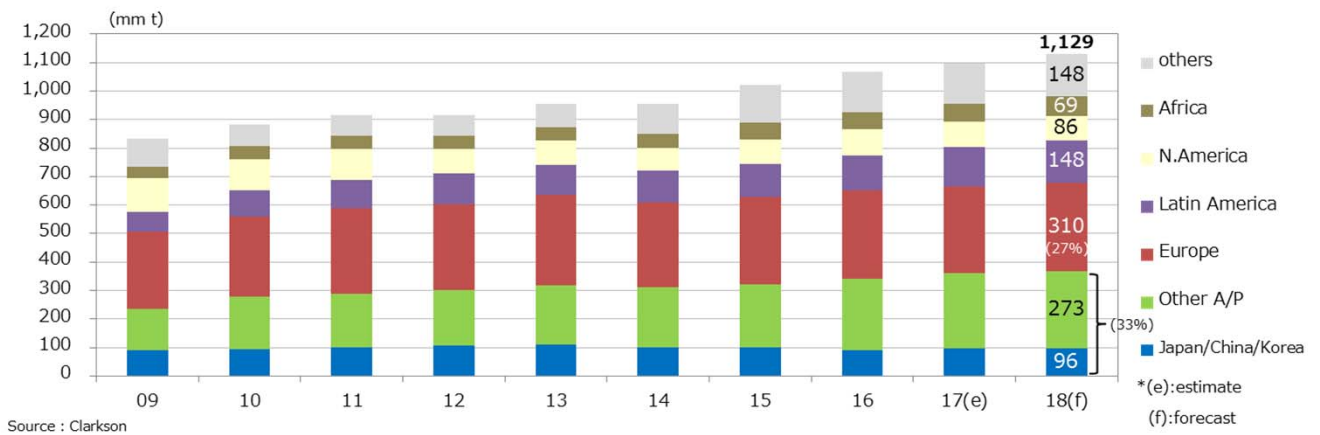
● Crude Oil① : Global Seaborne Trade by Import Area



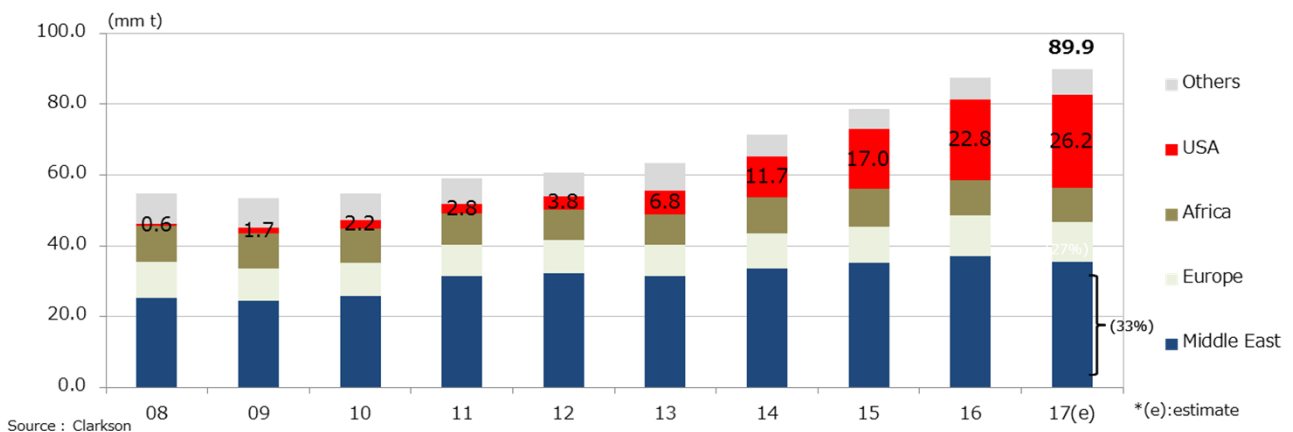
● Crude Oil② : Global Seaborne Trade from Africa/Latin America to Asia(*)



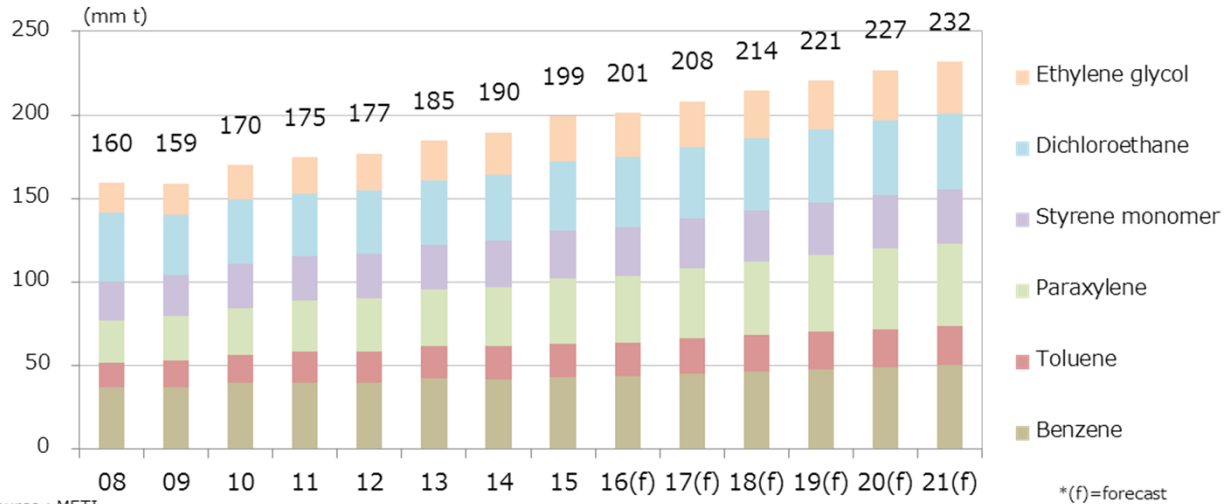
● Petroleum Products : Global Seaborne Trade by Import Area



● LPG : Global Seaborne Trade by Export Area



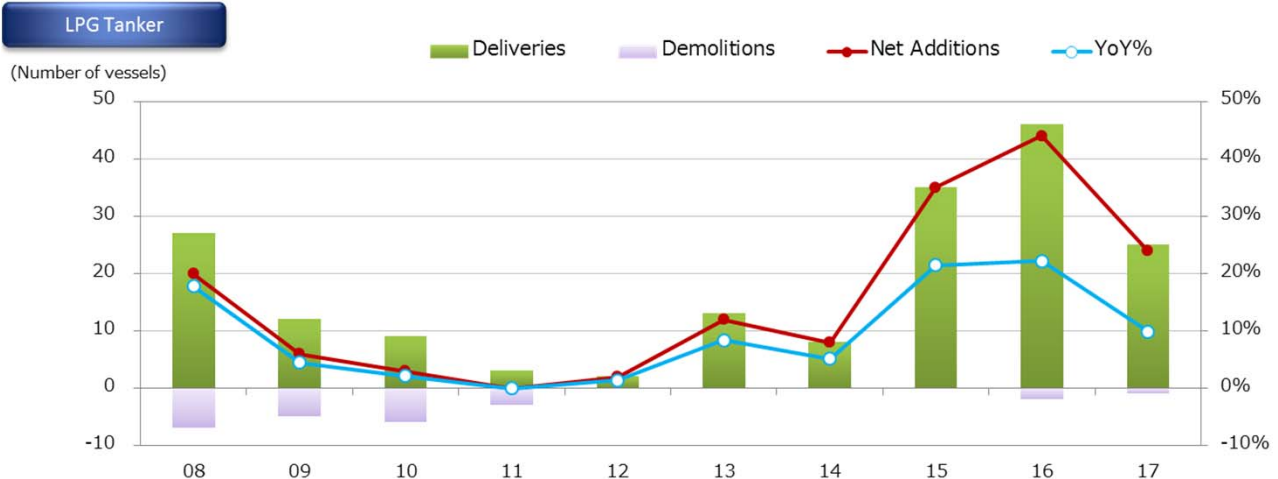
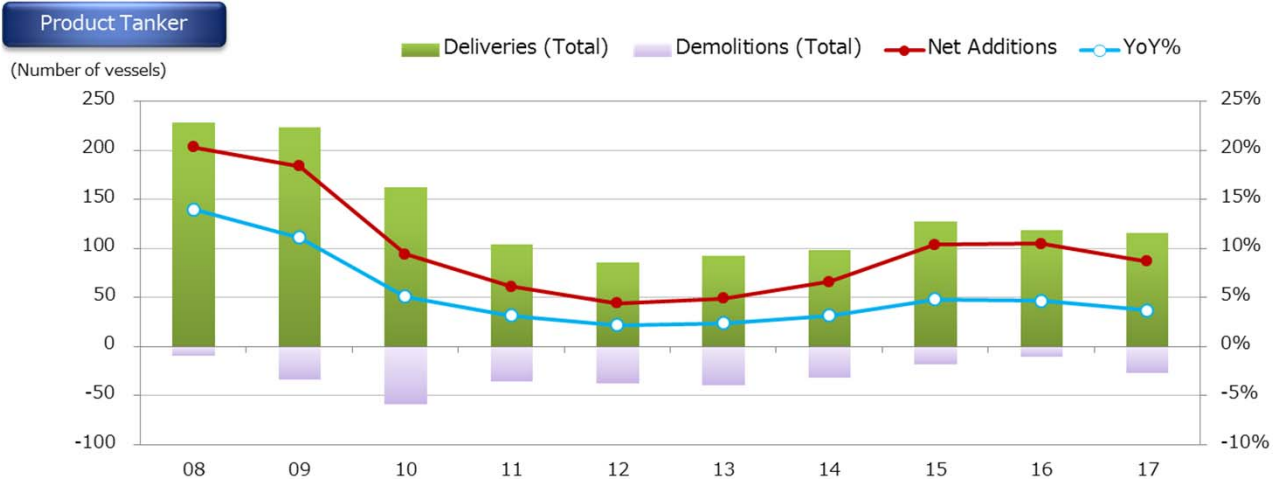
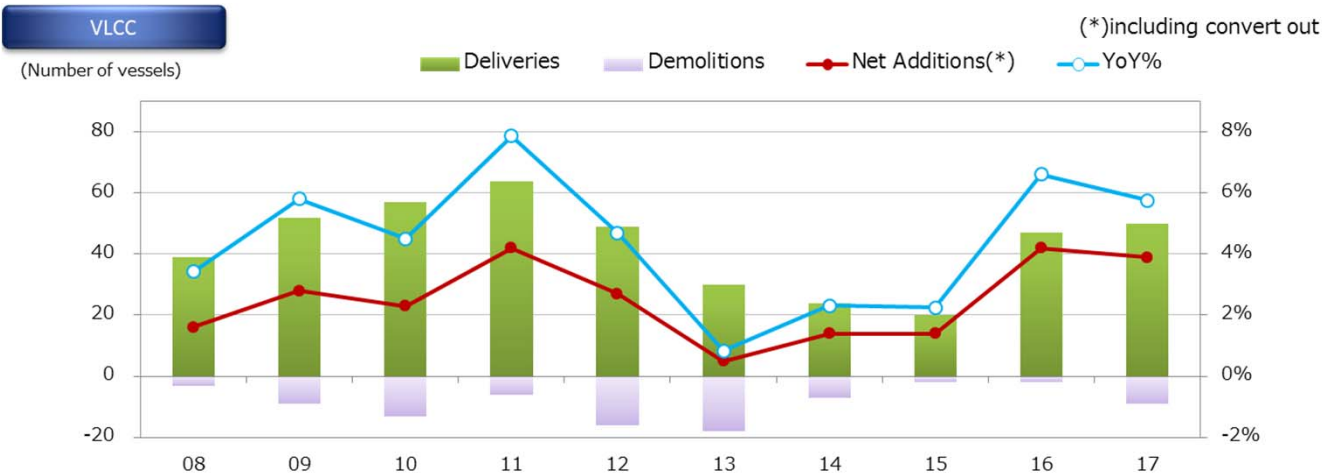
● Chemical Products : Demand Forecast by Product



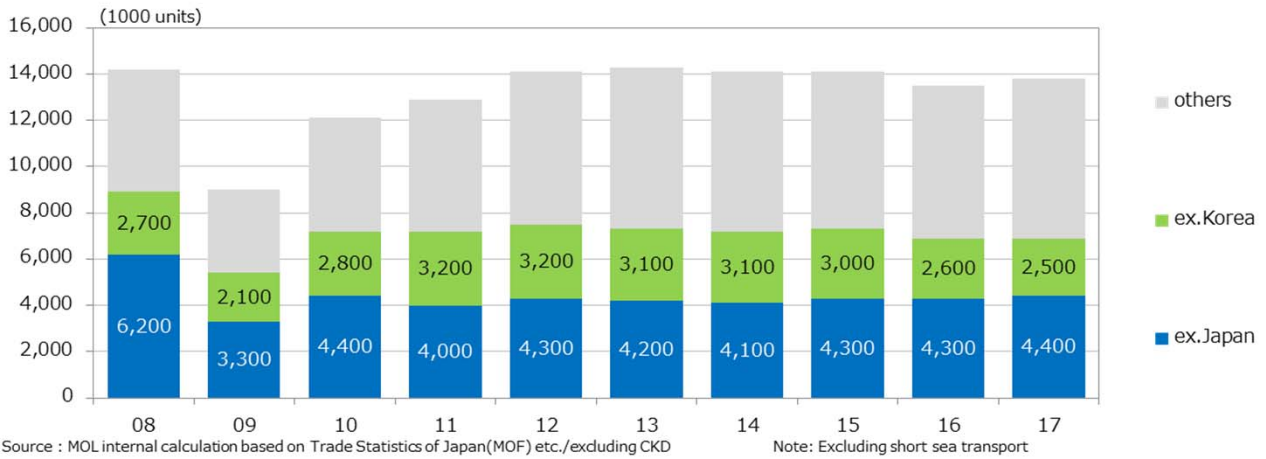
Source : METI

*(f)=forecast

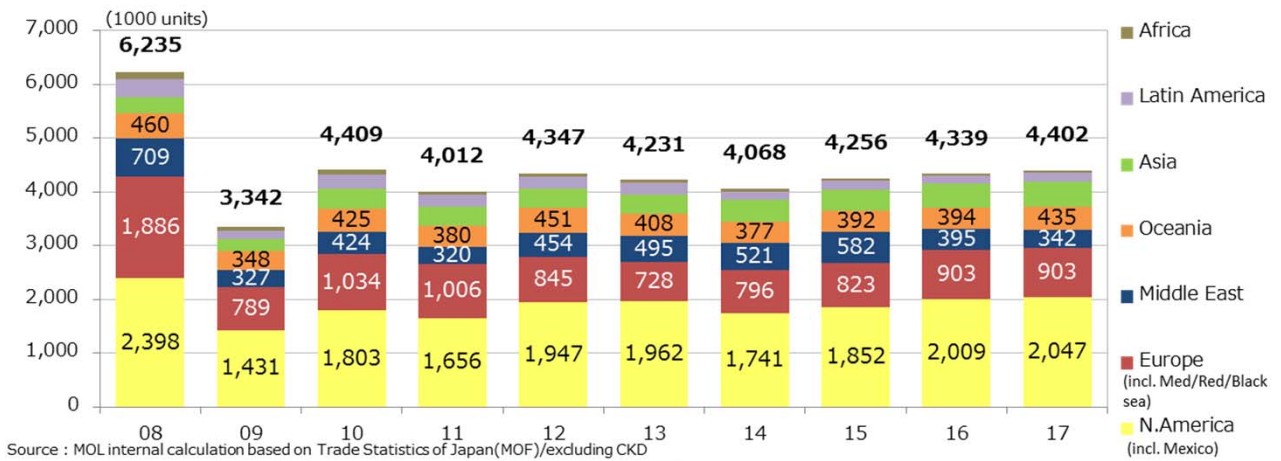
● Vessel Supply (Source : MOL internal calculation based on IHS-Fairplay)



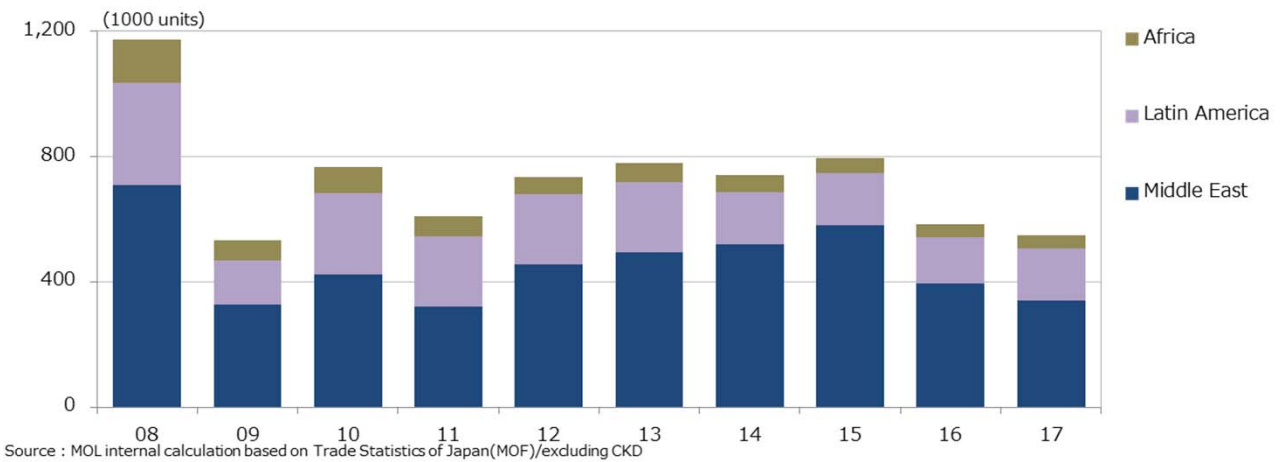
● Global Car Seaborne Trade



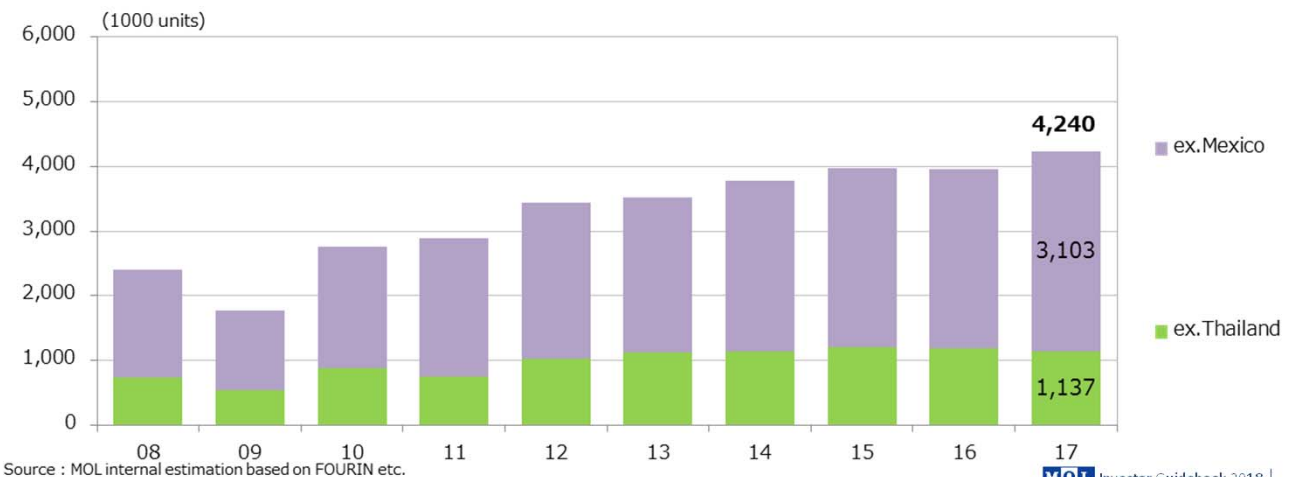
● Car Export from Japan



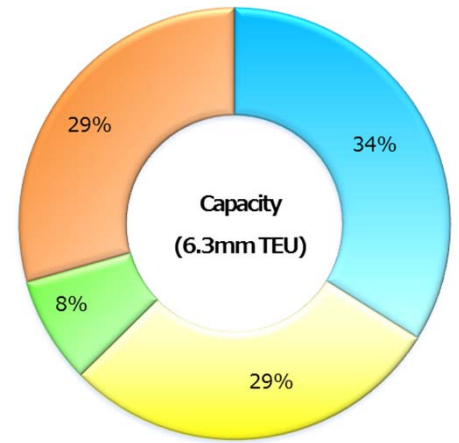
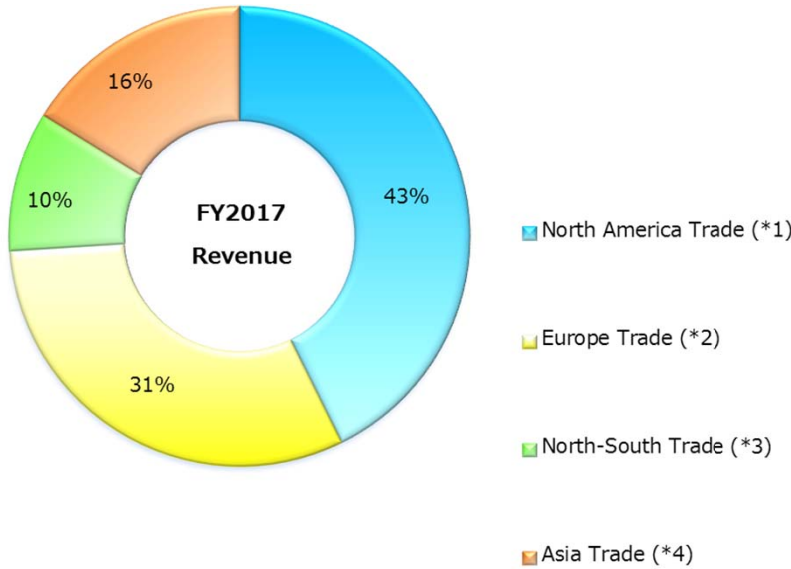
Of which, Car Export for the Middle East, Central and South America, and Africa



● Car Export from Emerging Countries



● MOL Containerships : Breakdown by Trade



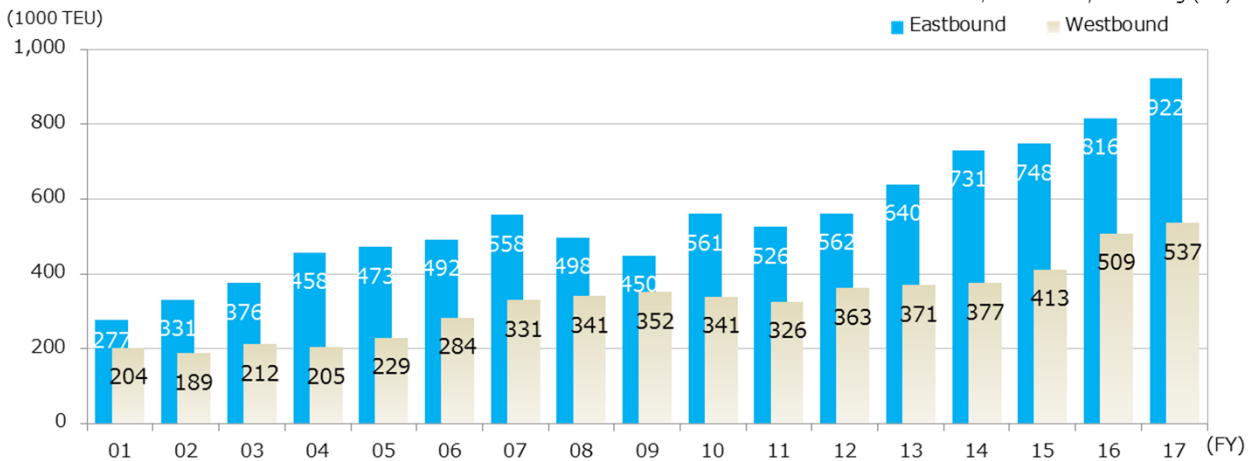
(*1) Trades from/to North America and Carib, excluding (*2)

(*2) Trades from/to Europe

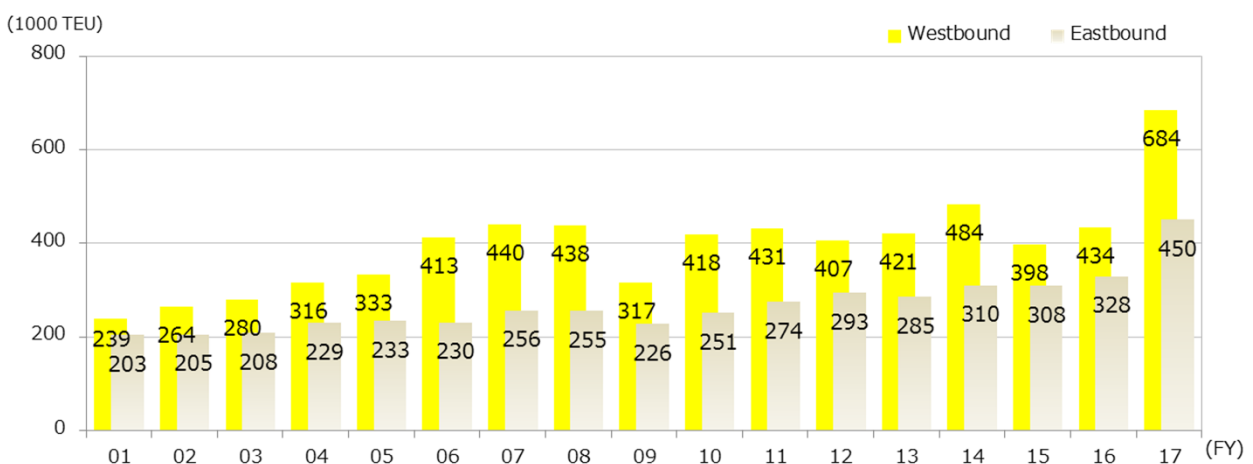
(*3) Trades from/to South America and Africa, excluding (*1)(*2)

(*4) Intra-Asia(incl. Middle-East) trades, Trades from/to Oceania, excluding (*1)

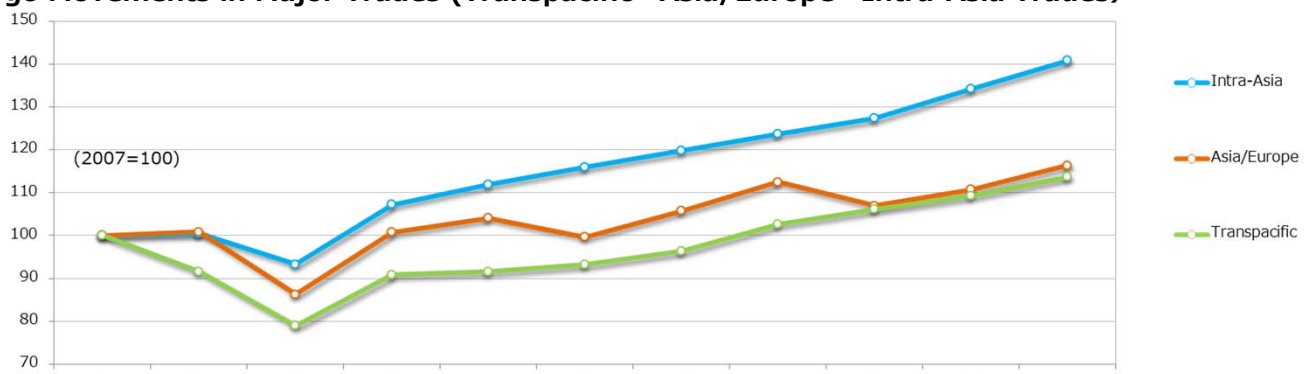
● MOL Lifting : Transpacific Trade



● MOL Lifting : Asia/Europe Trade

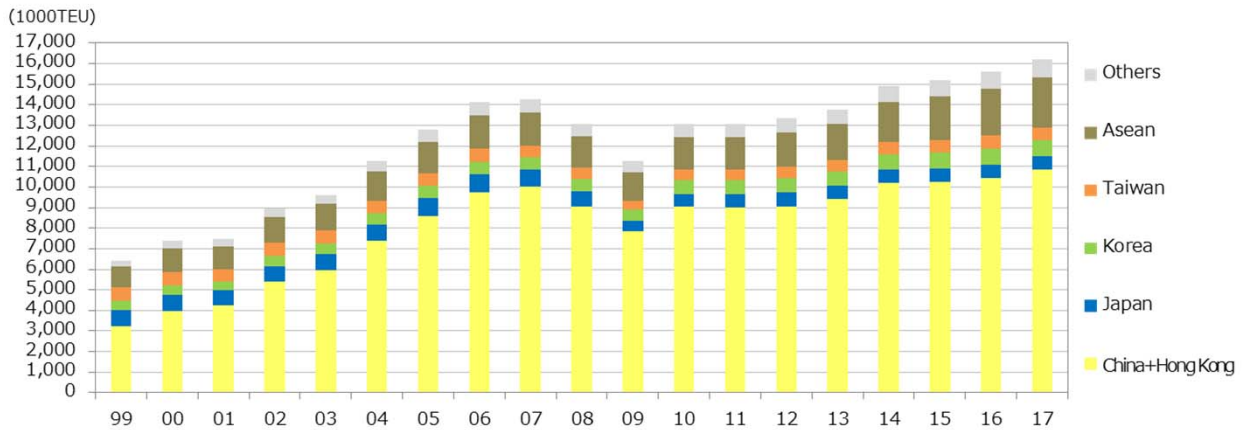


● Cargo Movements in Major Trades (Transpacific · Asia/Europe · Intra-Asia Trades)

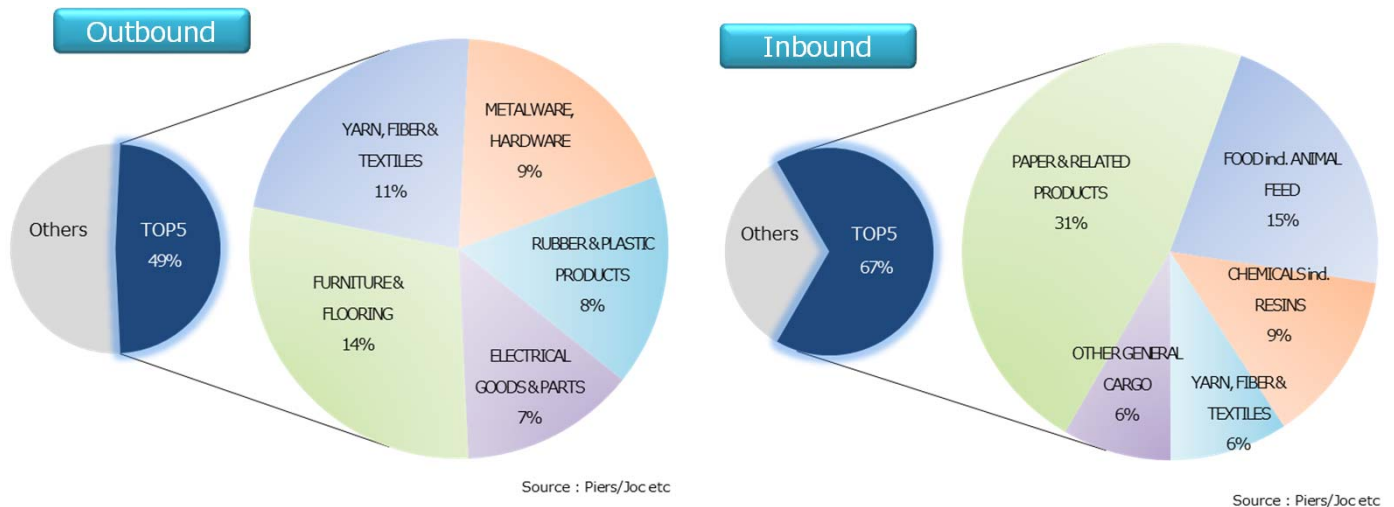


Source : MOL internal calculation based on Piers(TP)/Drewry(AE)/IHS Global Insight(Intra-Asia)

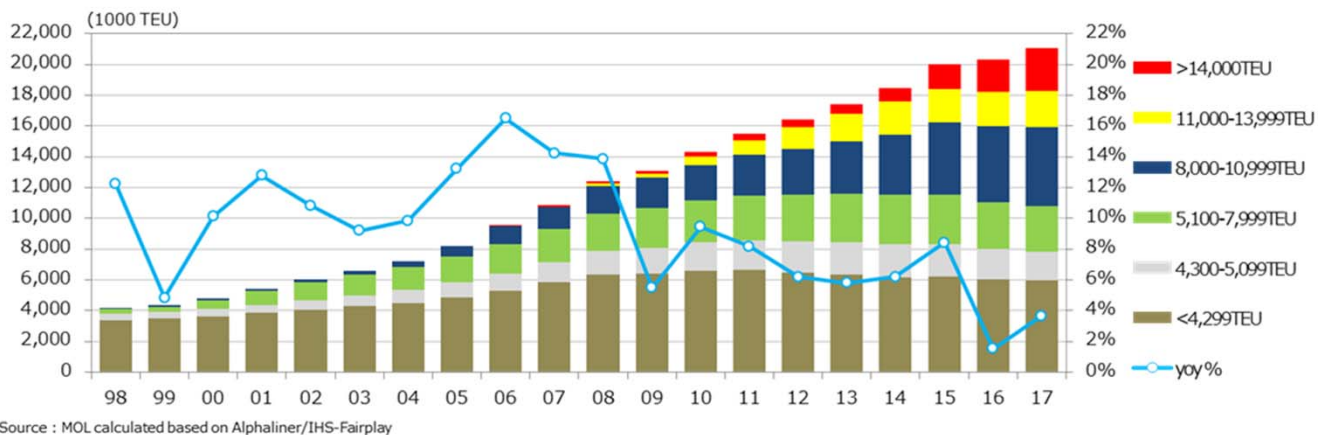
● Transpacific Trade : Cargo Movements(Outbound by Export Area)



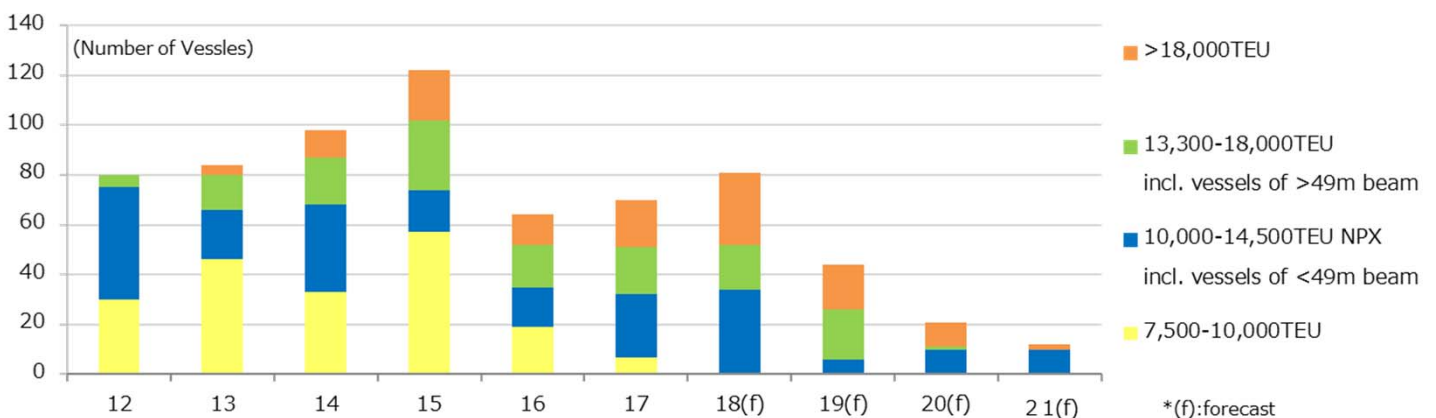
● Transpacific Trade : Cargo Movement by Commodity



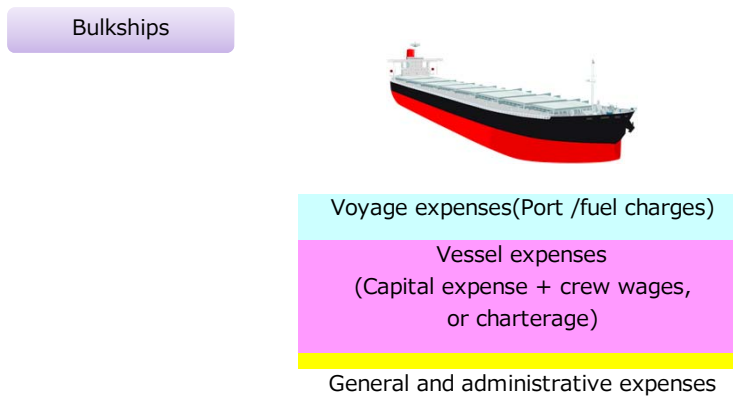
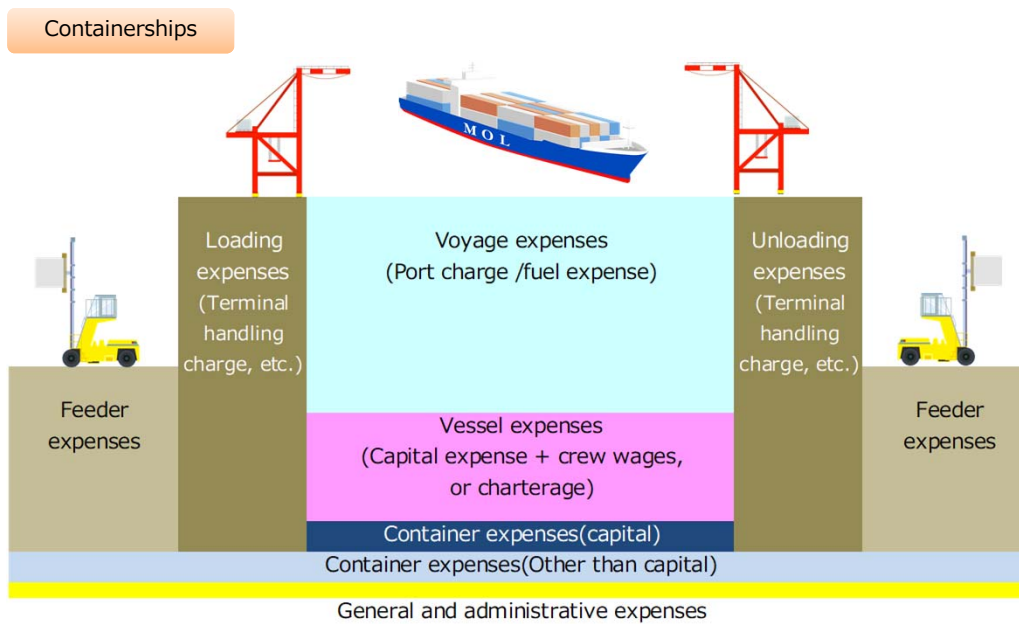
● Global Containership Capacity by TEU size range



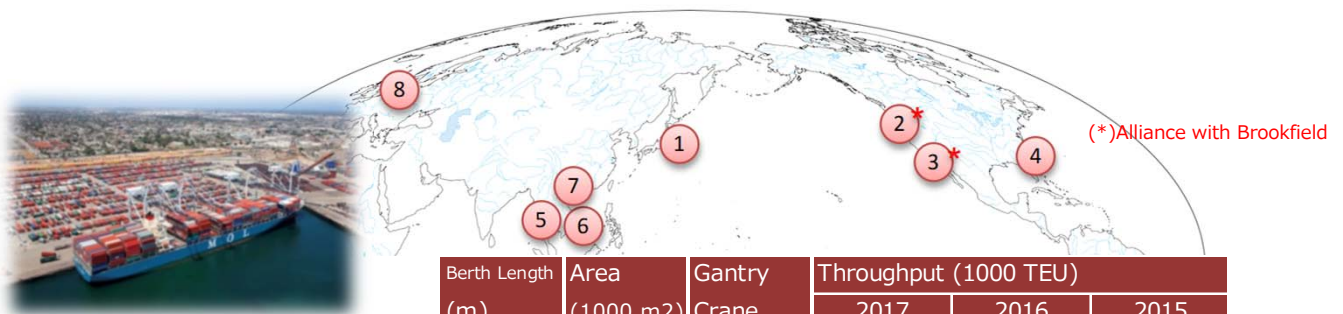
● Global Containership Fleet by Year of Delivery (Vessels above 7,500TEU only)



● Cost Items & Structure : Comparison between Containerships and Bulkships



● Container Terminal Business

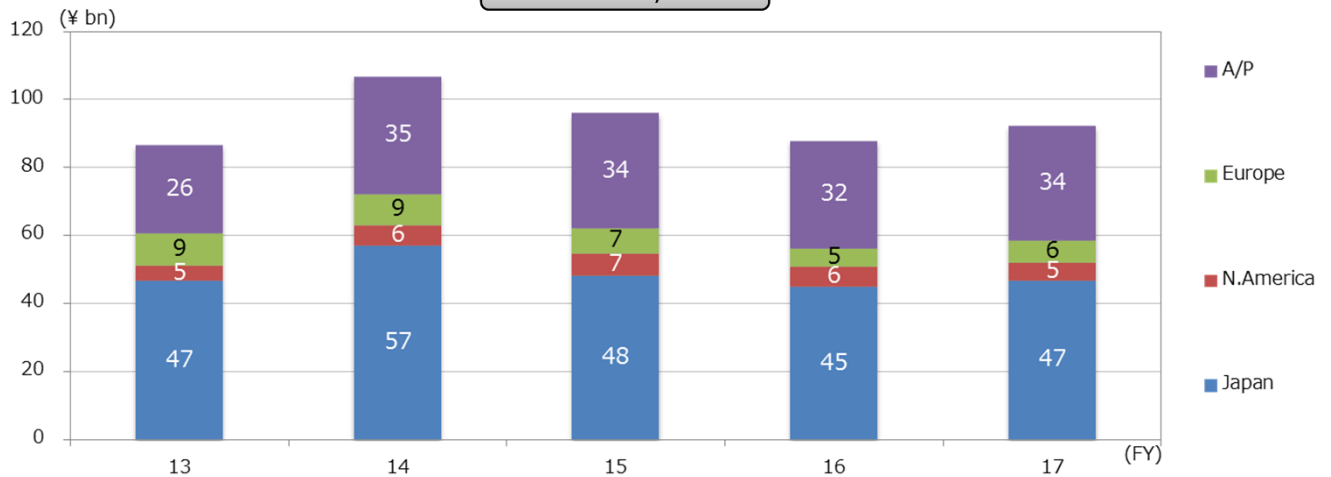


	Berth Length (m)	Area (1000 m ²)	Gantry Crane	Throughput (1000 TEU)			
				2017	2016	2015	
① Tokyo	Japan	684	277	6	666	757	645
	Yokohama	300	105	3	169	158	142
	Osaka	350	105	2	127	121	142
	Kobe	1050	381	7	627	700	599
② LA	USA	1400	750	10	830	842	828
③ Oakland		660	267	4	410	348	259
④ Jacksonville		790	647	6	327	268	230
⑤ Laem Chabang	Thailand	300	105	5	861	837	777
⑥ Cai Mep	Vietnam	890	346	9	1,296	1,112	979
⑦ Hai Phong		750	450	6	to be opened in 2018		
⑧ Rotterdam(*)	Netherlands	1,700	1,080	14	1,748	746	89
Total		8,124	4,063	66	7,061	5,890	4,690

(*)Rotterdam World Gateway (RWG) Opened in Q3/2015

● MOL Group Logistics Business

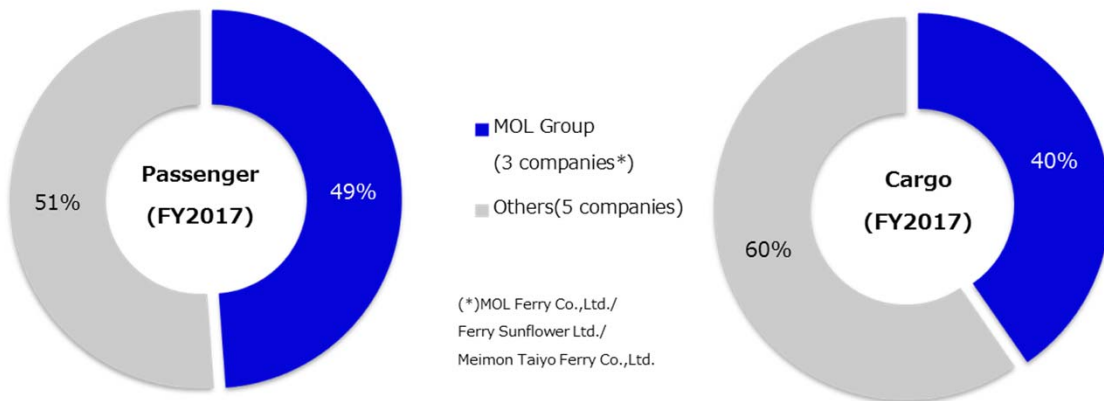
Revenue by Area



Revenue by Segment



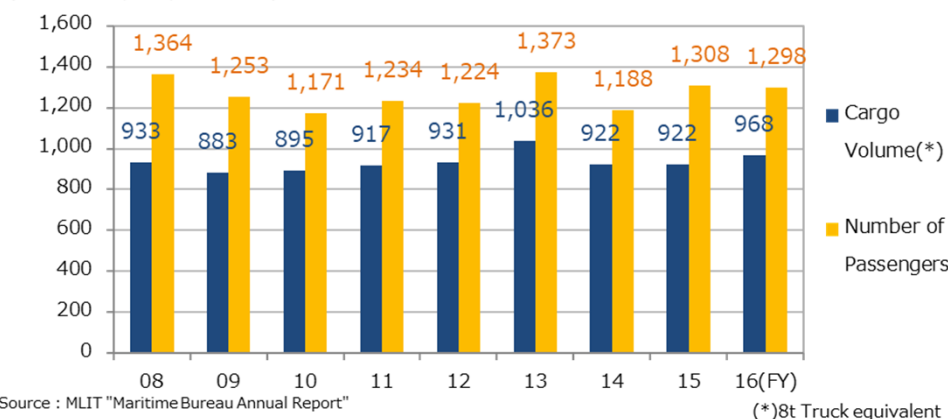
● MOL Group's Share in Long Course Ferry Market in Japan



Source : MOL internal calculation based on JLCFSA

● Traffic Volume by Long Course Ferry Service

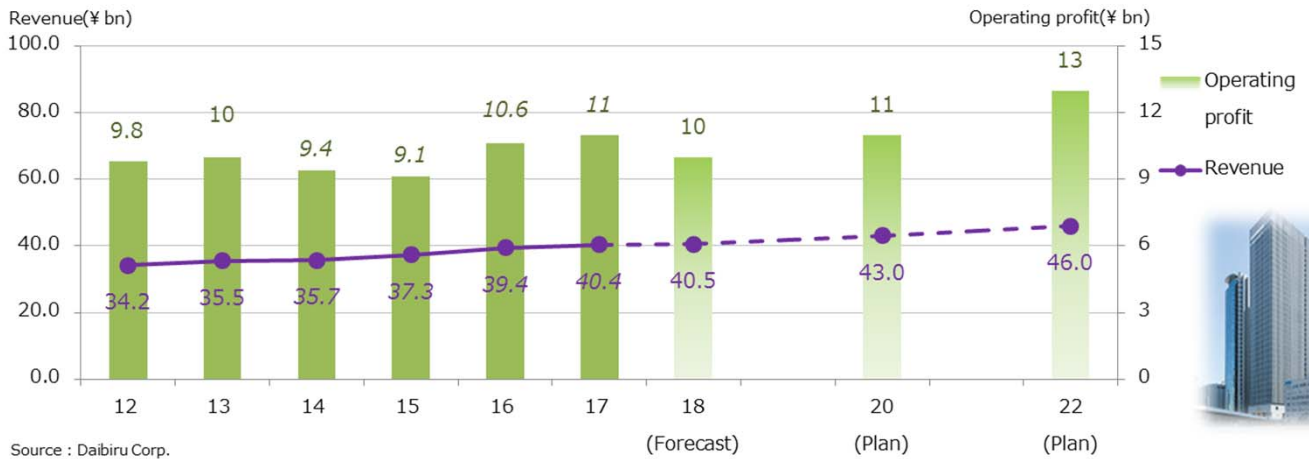
(mm unit*km/mm persons*km)



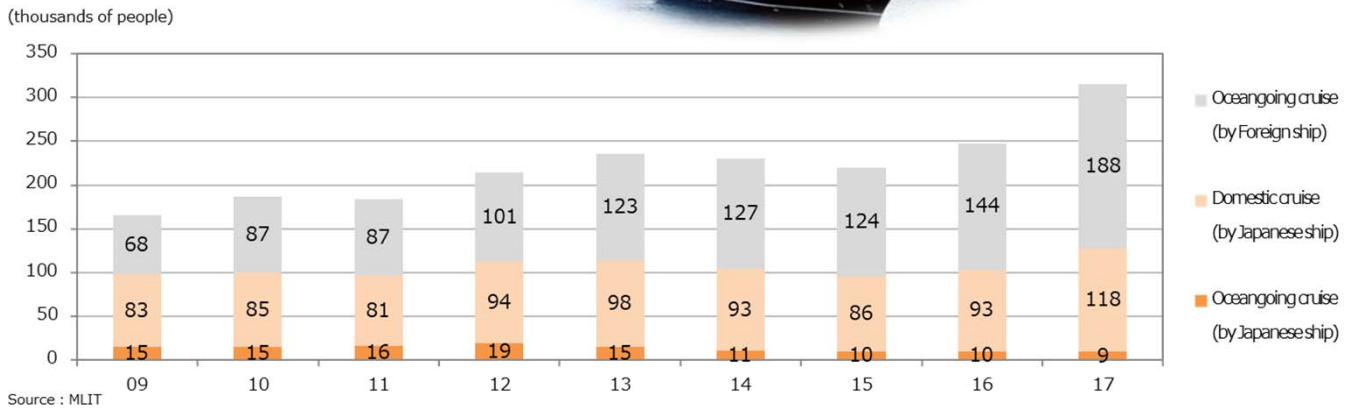
Source : MLIT "Maritime Bureau Annual Report"

Associated Businesses	Real Estate	Creating stable profits mainly by Daibiru Corp., the core company in the MOL's real estate business
	Cruise Ship	Operating cruise ship "NIPPON MARU"
	Tugboat	Expanding businesses in foreign ports in addition to domestic ports
	Trading	Selling fuel oil, Ship equipments (PBCF) and materials, etc.
	Others	Travel agent, Temporary staffing, etc.

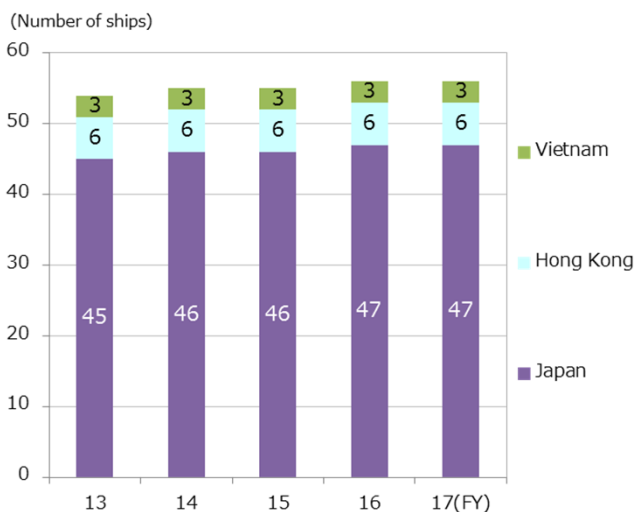
● Daibiru Corp. : Midterm Management Plan "Design100" Project Phase-II



● Number of Cruise Passengers in Japan

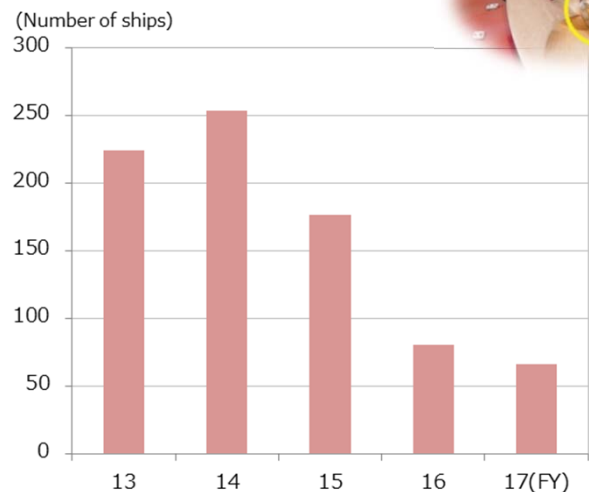


● MOL Group Tugboat Fleet Scale



● Sales Results of PBCF(*) Installed with Ships

(*)Propeller Boss Cap Fins, jointly developed by MOL and other parties, improve propeller efficiency and produce a 4% to 5% improvement in fuel efficiency.



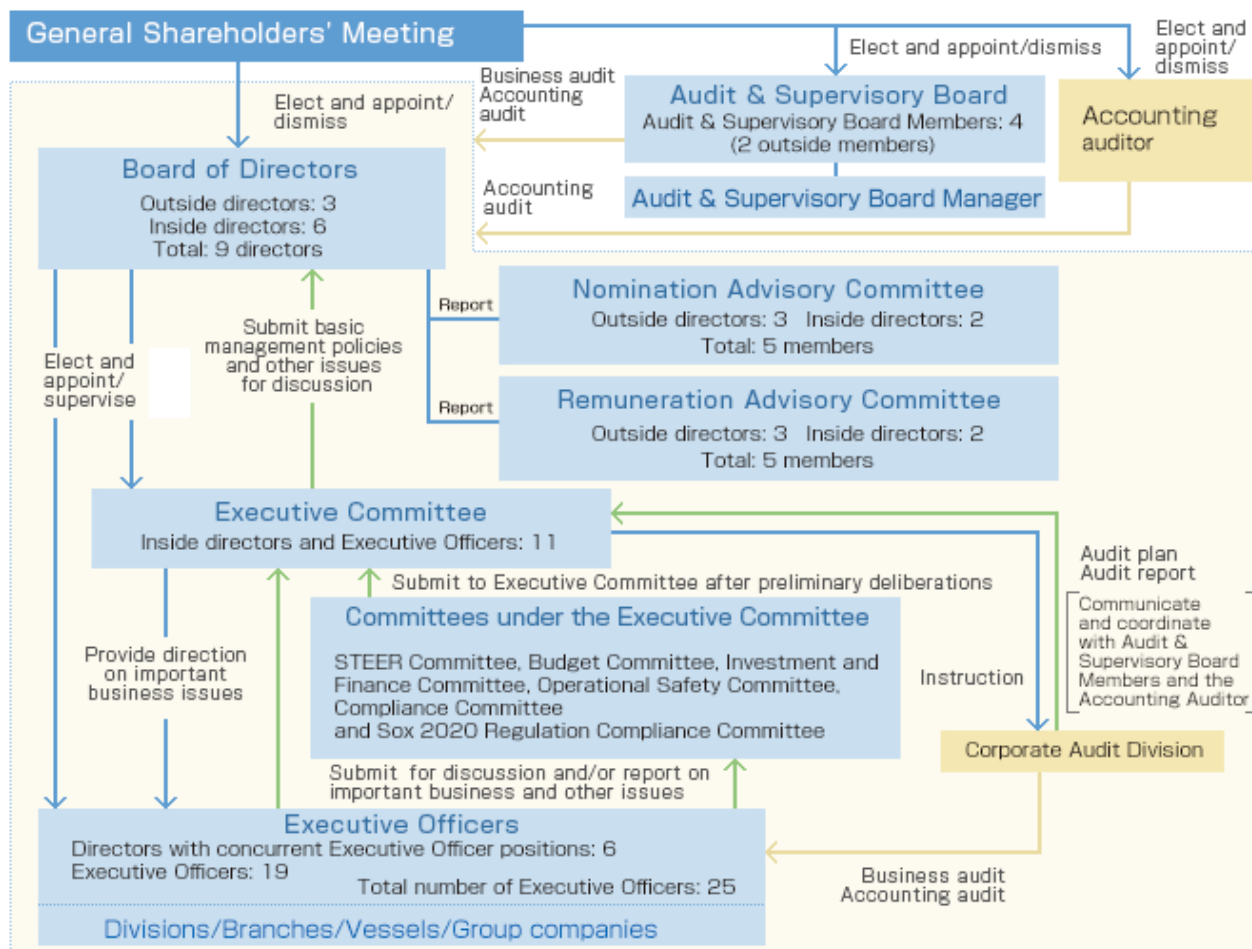
● MOL's Philosophy on Corporate Governance

for further information <http://www.mol.co.jp/en/csr/index.html>

MOL aims to maximize stakeholders' profits through the most appropriate allocation of management resources, with higher transparency of corporate management from the shareholders' viewpoint. This philosophy is set out in the MOL Group Corporate Principles as follows: "We will strive to maximize corporate value by always being creative, continually pursuing higher operating efficiency, and promoting an open and transparent management style that is guided by the highest ethical and social standards."

● Overview of Corporate Governance Organization (as of June 26, 2018)

MOL adopts a structure whereby the Board of Directors, with the participation of independent outside directors, supervises and encourages business operations, which are carried out by the president as chief executive officer. The company introduced an outside director system in 2000.



[Corporate Governance System]

Type of system	Company with the corporate auditors
Number of directors	9
Of which, number of outside directors (ratio)	3 (1/3)
Attendance rate of outside directors for Board Meeting	93% (FY2017)
Number of corporate auditors	4
Of which, number of outside corporate auditors (ratio)	2 (1/2)
Number of Independent directors/corporate auditors	5
Number of Board Meetings held in FY2016	10 times
Term of office for directors	1 year
Stock Option to Directors	Yes (excluding corporate auditors)
System of retirement benefits	No
Takeover defense measures	No
Compliance policy	Yes

[Compliance System]

MOL believes compliance means not only complying with legislation and internal rules, but also observing voluntarily established internal rules (Rules of Conduct) in carrying out corporate activities, including respecting human rights, refusing to permit discrimination and harassment, and preventing corruption in accordance with social norms and corporate ethics.

Basic Policies for Compliance
(Compliance Rules Article 4)

- 1.Strive to follow the MOL Corporate Principles and make them a reality.
- 2.Always recognize the public mission and social responsibilities of MOL's business, and maintain the trust of the company's stakeholders.
- 3.Strictly comply with laws, regulations, and so on, and conduct fair and transparent corporate activities in the context of social norms and corporate ethics.
- 4.Never yield to antisocial influence, and never be a party to antisocial acts.

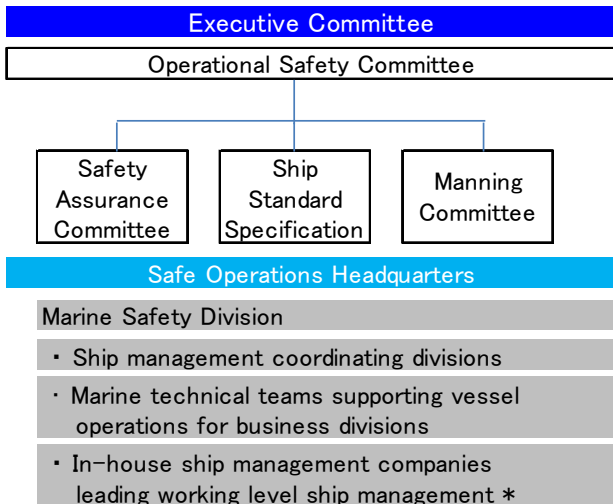
Since MOL conducts business globally, it aims to instill and entrench a compliance-oriented mind-set not only at Head Office, but also at Group companies in Japan and overseas. To this end, it regularly conducts E-learning and in-house training programs.

In fiscal 2012, MOL revised its guidelines on antimonopoly laws in order to further enforce compliance and notified the amendments to Group companies in Japan and overseas.

~ Forging Ahead to Become the World Leader in Safe Operation ~

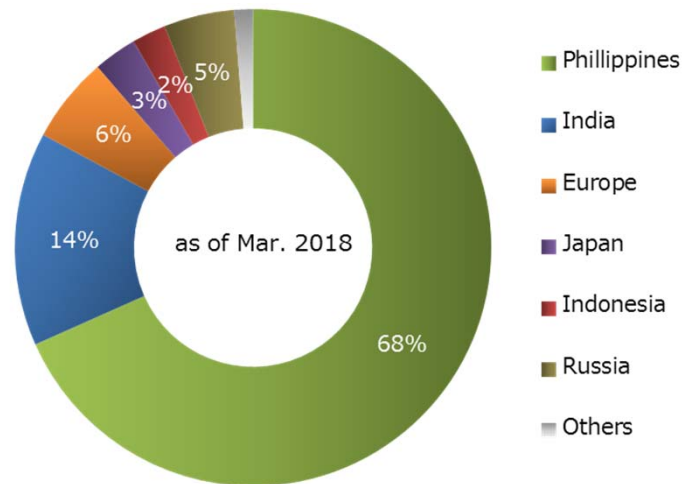
for further information
<http://www.mol.co.jp/en/csr/index.html>

● Safe Operation Management Structure

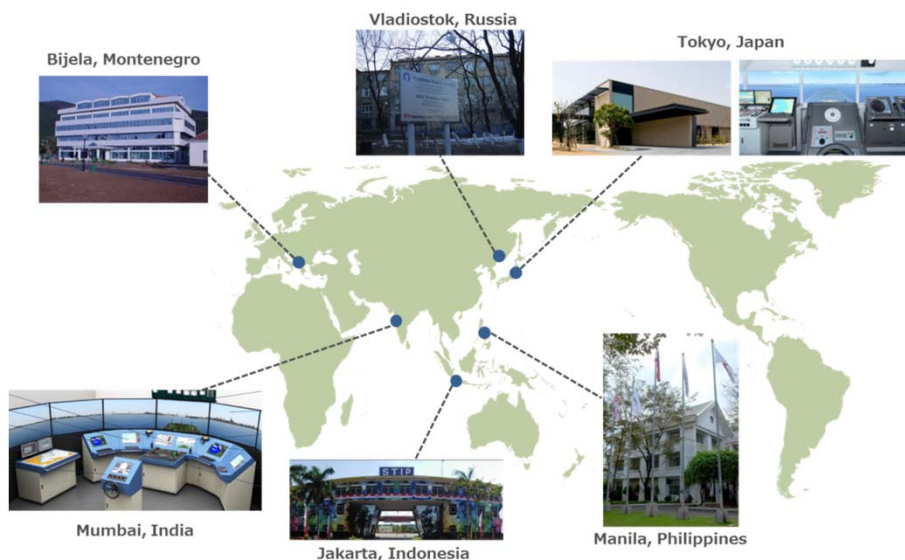


* MOL Ship Management Co., Ltd., and MOL LNG Transport Co., Ltd

● Nationality Ratio of Seafarers (MOL owned vessel)



● The training centers, where excellent seafarers around the world are trained

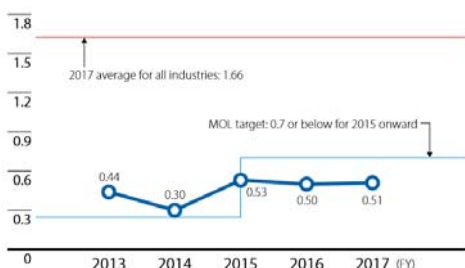


● Making Processes for Realizing Safe Operation Visible

MOL has introduced objective performance indicators for measuring safety levels, and also set the following numerical targets, including the Four Zeroes.

- ① Four Zeroes (an unblemished record in terms of serious marine incidents, oil pollution, fatal accidents and heavy cargo damage)
- ② LTIF(*1) (Lost Time Injury Frequency) : 0.7 or below
- ③ Operational stoppage time(*2) : 24.00 hours/ship or below
- ④ 4.Operational stoppage accident rate(*3) : 1.00/ship or below

Lost Time Injury Frequency (LTIF)



Average Operational Stoppage Time and Operational Stoppage Accident Rate



(*1) LTIF (Lost time injury frequency): Number of work-related accidents per one million hours worked that resulted in time lost from work of one day or more. In the scope of calculations, we originally included only workplace illnesses and injuries requiring disembarkation from the ship. The LTIF criteria was strengthened from fiscal 2015, and now includes any workplace illness or injury that prevents a worker from resuming even a reduced workload on that day, regardless of whether the illness or injury requires disembarkation.

Average for all industries (2017) was 1.66; for shipping industry, 1.14; for transportation equipment manufacturing industry, 0.43. (Source: 2017 Survey on Industrial Accidents issued by the Ministry of Health, Labour and Welfare)

(*2) Expresses the amount of ship operational stoppage time due to accidents per ship per year.

(*3) Expresses the number of accidents that result in ship operational stoppage per ship per year.

● **Schedule of Environmental Regulations by IMO, etc.**

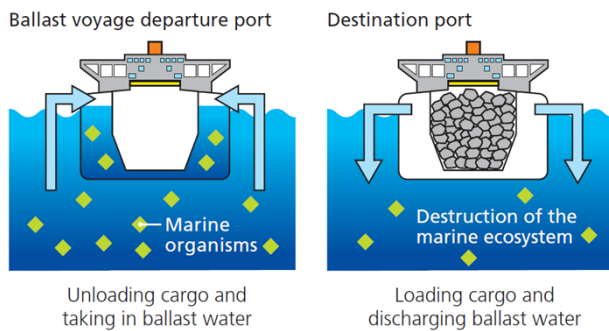
Reduce environmental impact through overall optimization and serving for global environmental protection by engaging in company-wide efforts and response to diverse environmental regulations.

for further information
<http://www.mol.co.jp/en/csr/index.html>

Ballast Water Management Convention

2016	2017	2018	2019	2020	2021
(Adopted in 2004)		Mandatory			
		For existing vessels: within 5 years from Sept. 2019			
		For new vessels: completed from Sept. 2017 onward			

A convention to prevent cross-border transfer of foreign marine organisms through vessel ballast water was adopted in 2004 and has been in effect since September 2017. Under the convention, vessels, including existing vessels, are mandated to install ballast water treatment systems by September 2024.



[MOL's Action]

- ✓ In FY2014, MOL set a company-wide policy to install ballast water management systems on our vessels before the convention took effect.
- ✓ We have already completed installation on 114 owned vessels. (as of April 2018)

SOx Regulation

2016	2017	2018	2019	2020	2021
Sulfur limit 3.5%				Sulfur limit 0.5%	

Regulate the sulfur content in fuel oil to control SOx volume in exhaust emissions. The fuel sulfur content will be tightened from 3.5% or less to 0.5% or less from 2020. Ship owners/operators have to choose a method from the following menu:

Methods	Pros	Cons/Issue
Low-Sulfur Fuel Oil	No initial costs	-High fuel cost -Supply availability in question
SOx Scrubber	Lower fuel costs	-High initial cost -Large space required
Alternative Fuel (LNG etc.)	Effective for other environmental regulations	-High equipment cost -Insufficient supply system -Difficult modifications

[MOL's Action]

- ✓ MOL has been studying low-sulfur fuel oil and SOx scrubbers as both are subject to future fuel prices.
- ✓ MOL teamed up with BHP Billiton, Rio Tinto, etc., on a joint research project for an LNG-fueled capesize bulker.
- ✓ MOL took delivery of three methanol tankers equipped with dual-fuel, low-speed diesel engines that can run on methanol (a world first).
- ✓ In 2019, MOL will take delivery of a tugboat with a dual-fuel (bunker A/LNG) engine.

Others

Regulations			2016	2017	2018	2019	2020	2025
Tackling Global Warming	GHG emissions	EEDI*1	Phase 1				Phase 2	Phase 3
		SEEMP*2	Mandatory					
Preventing Air Pollution	NOx emissions*3	General Sea Areas	Tier II					
		ECA*4	Tier III					
Marine Environment Protection	Minimizing the transfer of invasive aquatic species by shipping *5		(Guideline adopted in 2011)					
	Ship Recycling Convention *6		(Adopted in 2009: not ratified)					

- (*1) EEDI (Energy Efficiency Design Index) is a measure of a ship's energy efficiency (g/ton-mile) The required EEDI of each Phase is as follows: Phase 0=0%, Phase 1=10%, **Phase 2=20% (Applied to new ships)**
- (*2) **SEEMP (Ship Energy Efficiency Management Plan) is required to be drawn up to show optimal measures of operation that should be adjusted to the characteristics of individual ships, and to be kept onboard a ship. (Applied to both new and existing ships)**
- (*3) **The regulation for reduction of NOx in exhaust gases: Tier I is applied** to ships laid down in 2000-2010, Tier II to ships laid down in/after 2011, and Tier III to ships laid down in/after 2016.
- (*4) The existing ECAs (Emission Control Areas) are: 1. Within 200 miles off the coast of the USA and Canada (NOx/SOx) 2. The USA Caribbean Sea area (NOx/SOx) 3. The Baltic Sea and the North Sea areas (currently only SOx). (From 2021 onward, new shipbuilding will be subject to third-generation NOx regulations.)
- (*5) The guideline aimed at minimizing transfer of invasive aquatic species attaching to the bottom of ships, recommending installation of the systems on vessels to keep the bottom clean of marine organisms and other measures. (It remains as a voluntary guideline during the review period.)
- (*6) The convention prohibits and restricts the fitting and use of treaty-specified hazardous materials, and requires vessels to prepare, record and update inventory lists showing the quantity and location of hazardous materials on ships over a ship's lifetime. The convention shall enter into force 24 months after the following conditions are met:
 Conditions: Ratification by not less than 15 countries representing a combined total G/T of more than 40% of the world's merchant fleet and an annual ship recycling volume not less than 3% of the combined tonnage of the ratifying countries. (As of May 2018, 6 countries have ratified.)

● Environmental Investments

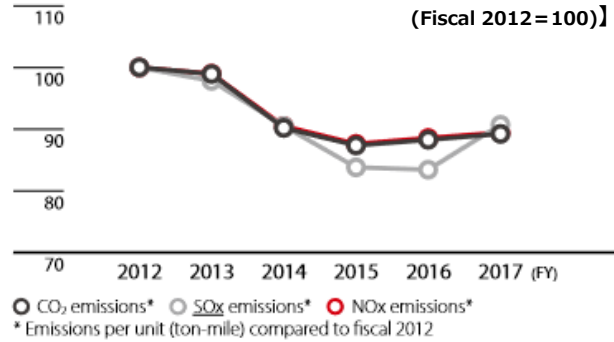
(¥ bn)

(FY)	2015	2016	2017
Environment-related R&D activities	0.3	0.4	0.5
Utilization and expansion of existing environmental technologies	0.9	0.5	0.8
Response to environmental regulations	2.2	3.1	3.1
Initiatives to save bunker fuel	1.0	1.1	0.8
Initiatives of Group companies	0.3	0.3	0.5
Total	4.6	5.4	5.7

▶ for further information <http://www.mol.co.jp/en/csr/index.html>

[Emissions of CO₂, SO_x and NO_x (Per Unit Load)

(Fiscal 2012=100)]



● External Recognition

General CSR Activities-Related(Including SRI)

□ **CSR Rating by the FTSE4Good Developed Index Series**

FTSE is a global index company owned by the London Stock Exchange. Since 2003, FTSE Russell has included MOL in one of its major indices, the FTSE4Good Developed Index, which is a responsible investment index.

□ **FTSE Blossom Japan**

Since 2017, MOL has been included in the FTSE Blossom Japan Index. The index was developed in 2017 by FTSE and targets Japanese companies making a superior response to environment, social, and governance (ESG) issues.

□ **MSCI ESG Leaders Indexes**

MOL has been included in the MSCI ESG Leaders Indexes for its superior efforts on measures taken for risks and opportunities related to ESG. (Since 2010; index name changed in 2017)

□ **MSCI Japan ESG Select Leaders Index**

Since 2017, MOL has been included in the Japan ESG Select Leaders Index, which was newly developed in 2017 and targets companies with a superior ESG evaluation relatively speaking for each industry.

□ **MSCI Japan Empowering Women Index (WIN)**

MOL has been included in the MSCI Japan Empowering Women Index (WIN), which was newly developed in 2017 and targets companies in all industries with superior performance in promoting gender diversity.

□ **SMBC Work Style Reform Finance**

MOL was rated for its initiatives adopted in the past, and Sumitomo Mitsui Banking Corporation approved MOL for an SMBC Work Style Reform Finance as a growth enterprise that can be expected to encourage workstyle reform in the future (2018).



FTSE4Good



FTSE Blossom Japan



2018 Constituent
MSCI ESG
Leaders Indexes



2018 Constituent
MSCI Japan ESG
Select Leaders Index



2018 Constituent
MSCI Japan Empowering
Women Index (WIN)

THE INCLUSION OF Mitsui O.S.K. Lines, Ltd. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Mitsui O.S.K. Lines, Ltd. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Safe Operation(Including Recognition of Seafarer Training Program)

□ **Standard Training Courses for liquefied gas transportation certified by DNV GL AS**

The LNG Carrier Standard Training Course and the LEG/LPG Carrier Standard Training Course implemented globally by MOL were certified by Norway's Det Norske Veritas (DNV) GL AS in 2007 for compliance with the LNG carrier crew ability standards and in 2016 for compliance with the LEG/LPG advocated by SIGTTO(Society of International Gas Tanker and Terminal Operators Ltd.).

□ **Management program for seafarer education and training acquired certification from DNV GL AS**

MOL's management program for seafarer education and training was recognized to be effective and certified in its tanker and LNG carrier operations by DNV GL AS in 2012 for compliance with the Competence Management System (CMS).

Environmental Related

□ **ISO 14001 Certification**

MOL has used its own environmental management system MOL EMS21 since April 2001, and it holds ISO 14001 certification, an International standard for environmental management. (Since 2003)

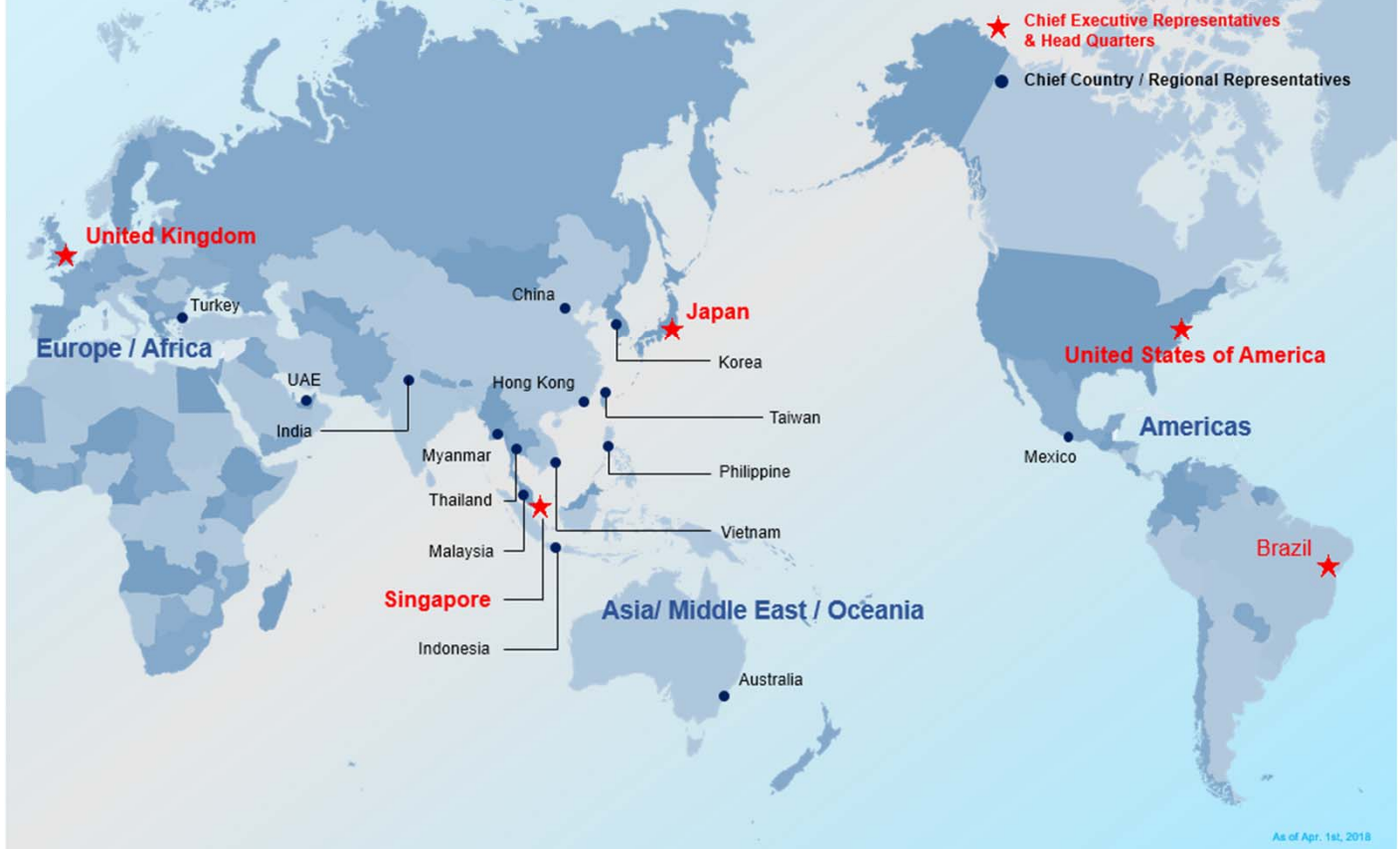
□ **ISO50001 Certification**

MOL acquired ISO50001 certification for its energy management system and ISO14001 certification for its environmental management system. (2014)

Certified companies: MOL Ship Management Co., Ltd. (2014), MOL Ship Management (Singapore) Pte.Ltd.(2014), MOL Ship Management (Hong Kong) Company Ltd.(2014) and Magsaysay MOL Ship Management, Inc.(2015)

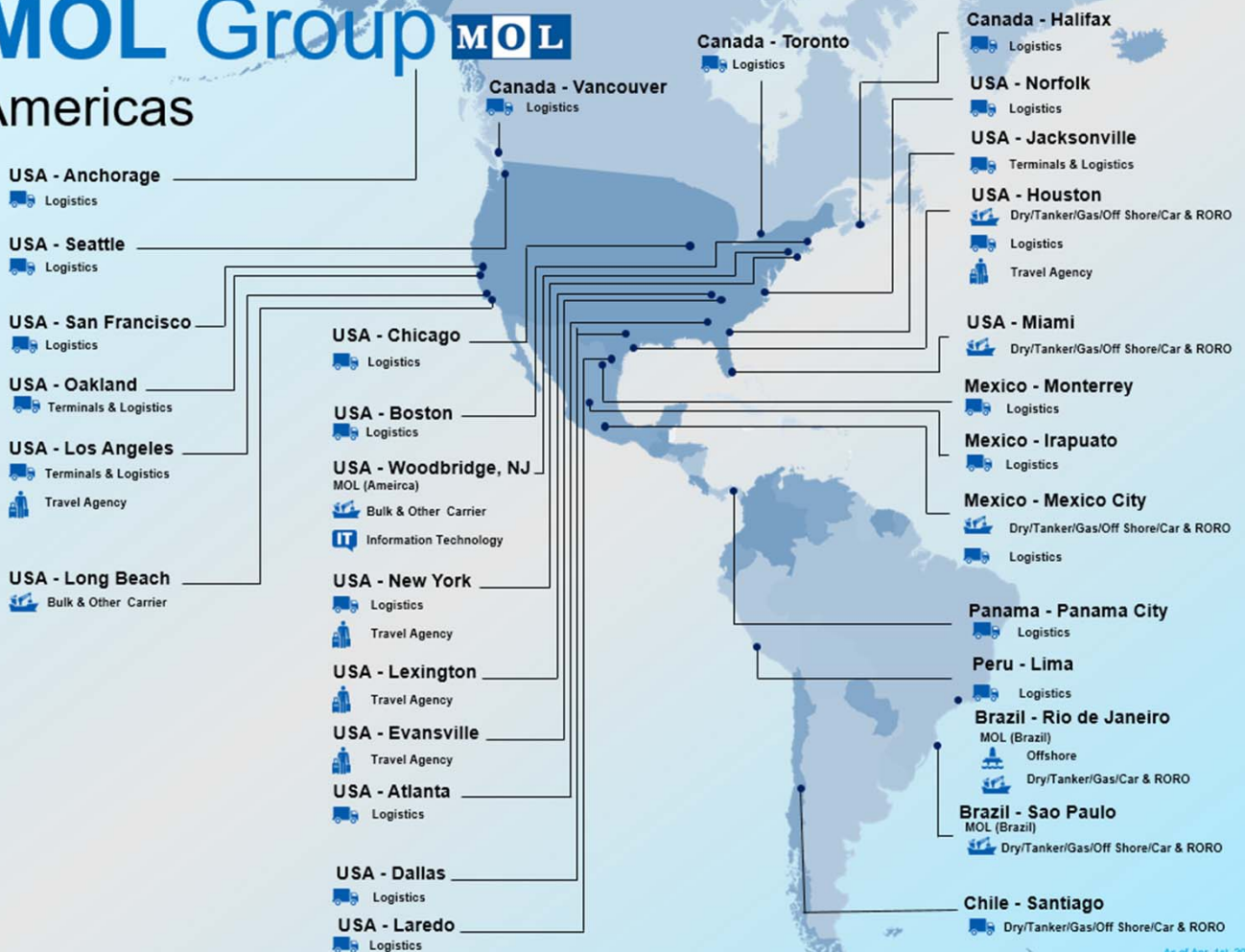
MOL Group

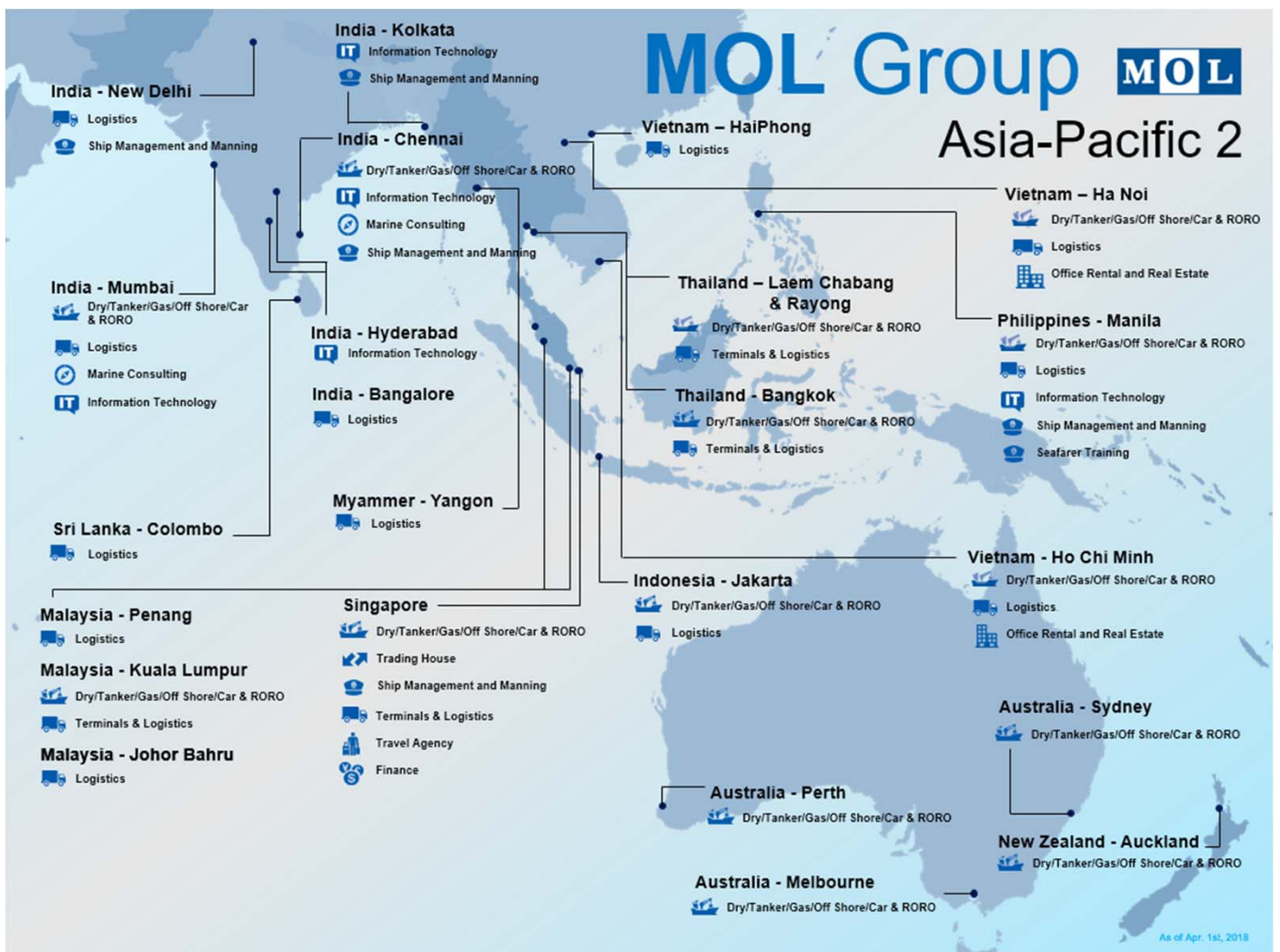
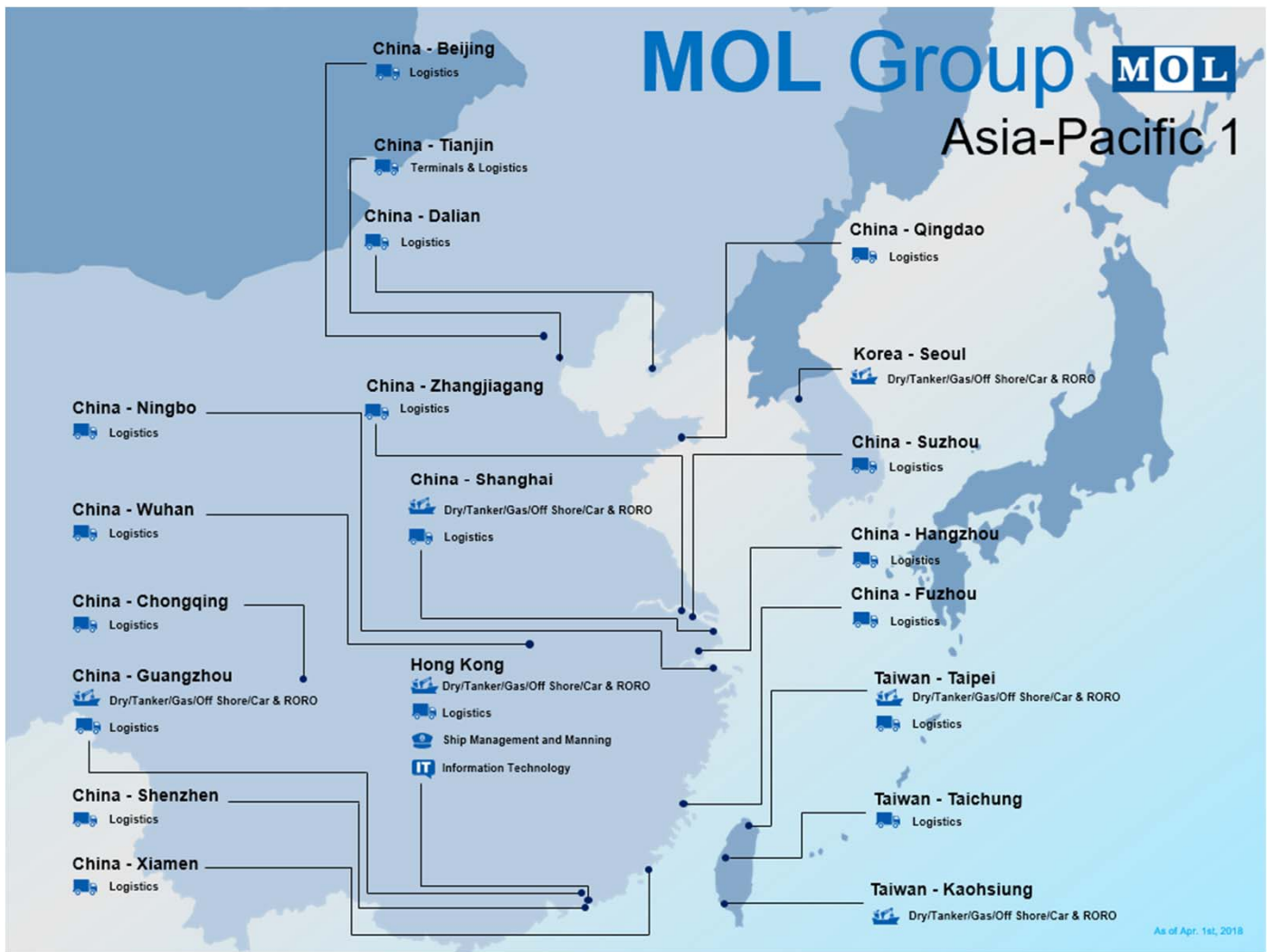
Global Network



MOL Group

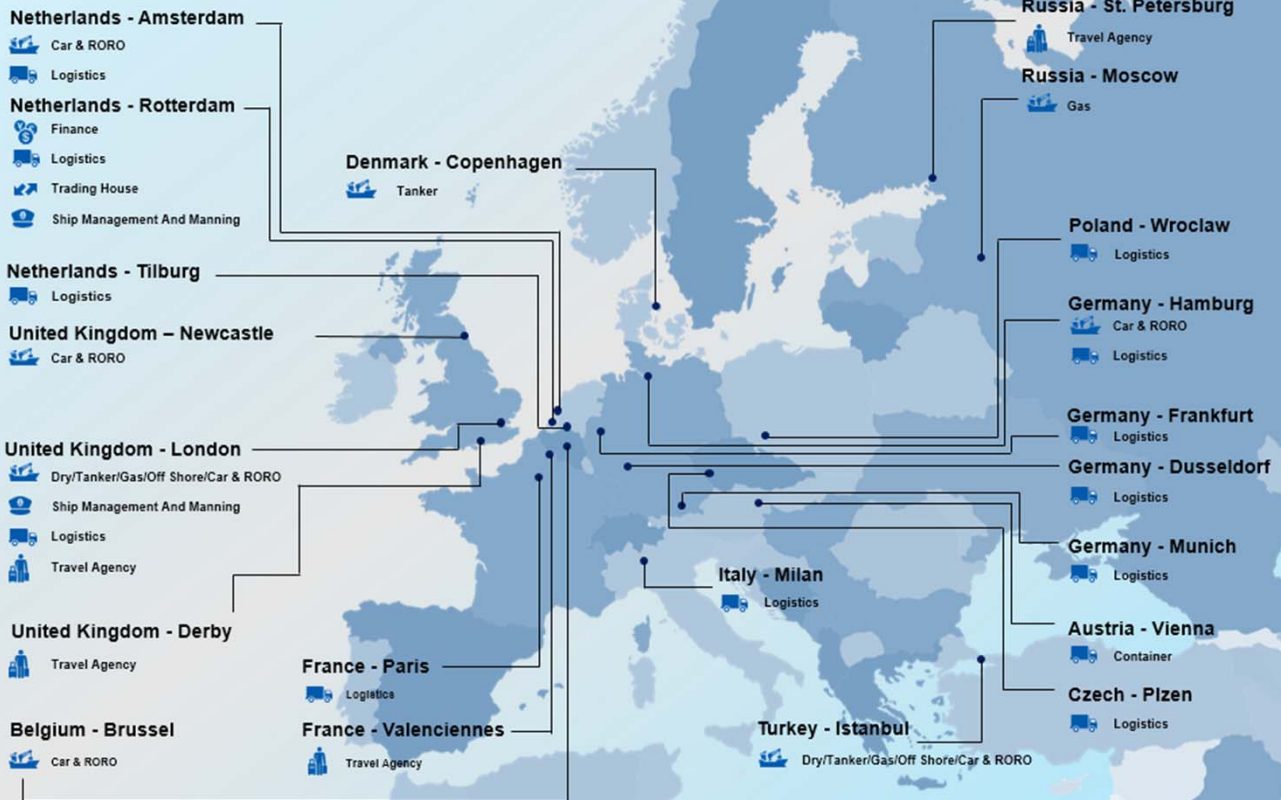
Americas





MOL Group

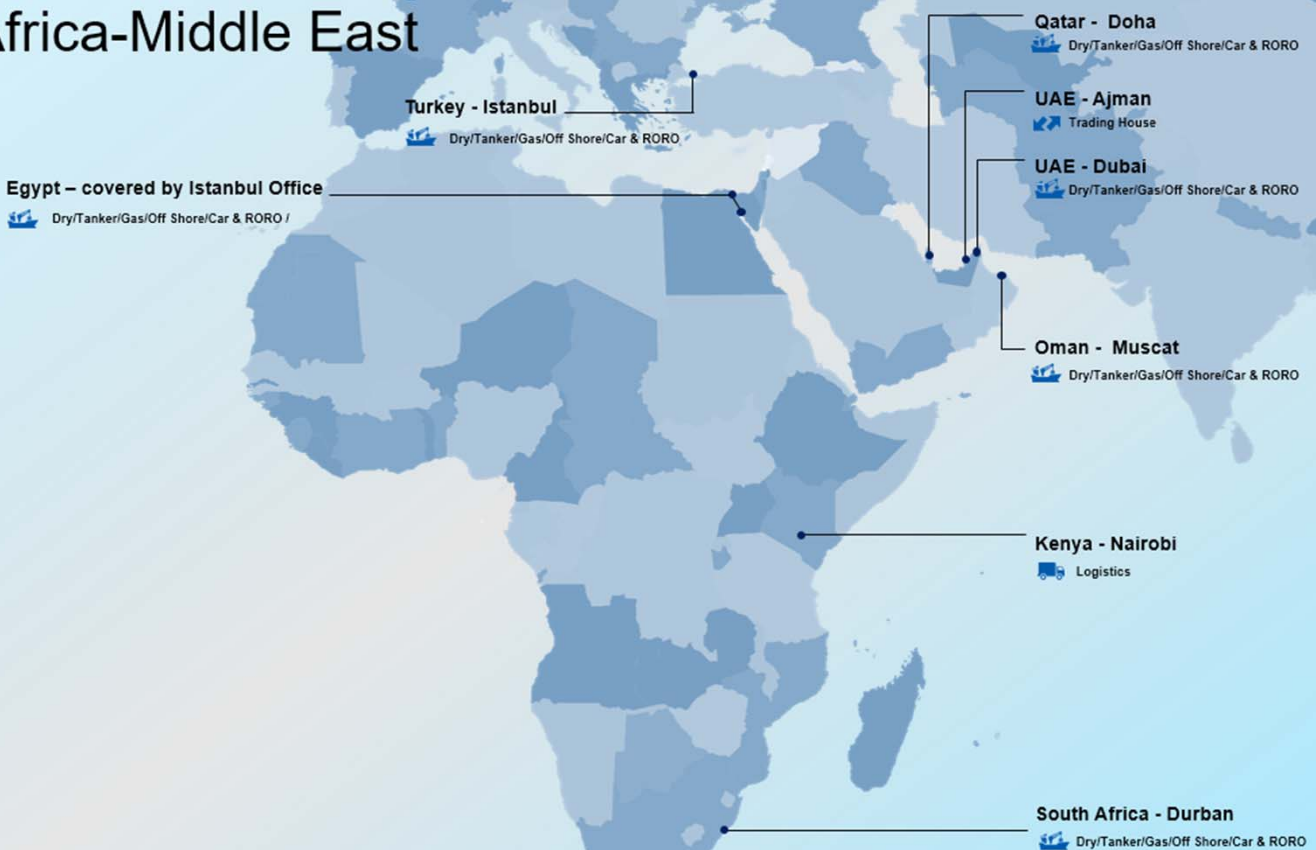
Europe



As of Apr. 1st, 2018

MOL Group

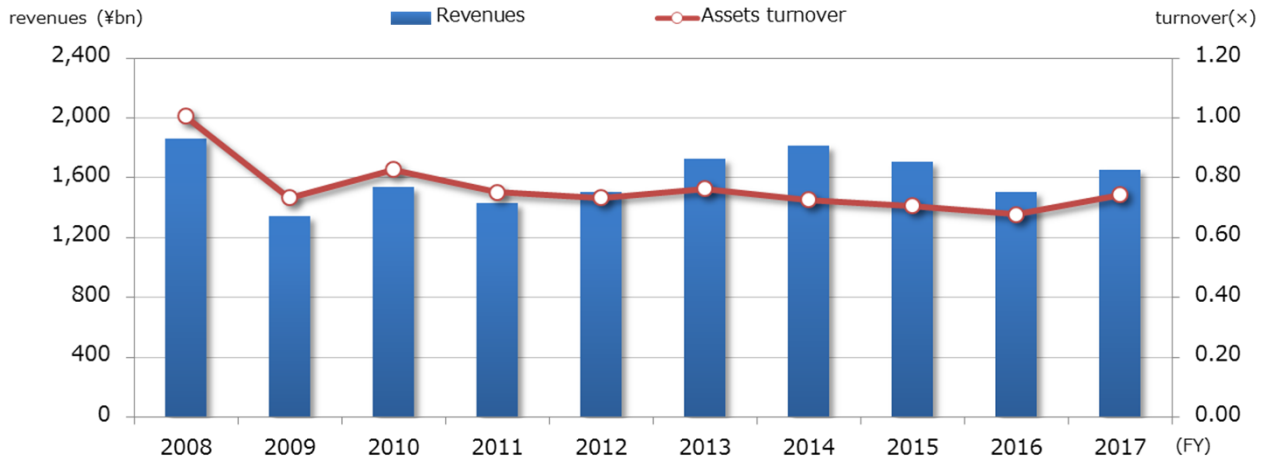
Africa-Middle East



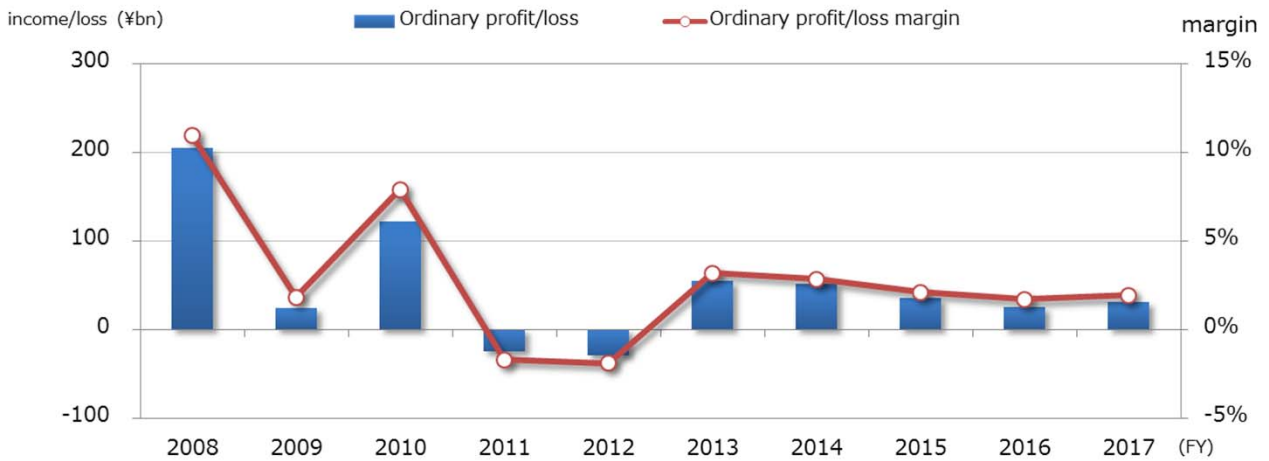
As of Apr. 1st, 2018

● Assets Turnover

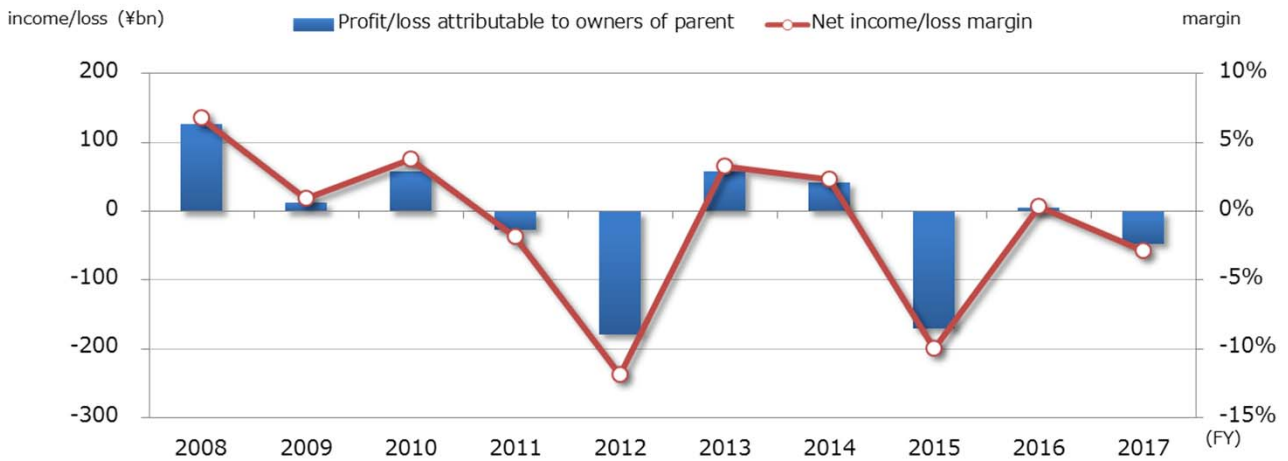
refer to P45 for figures



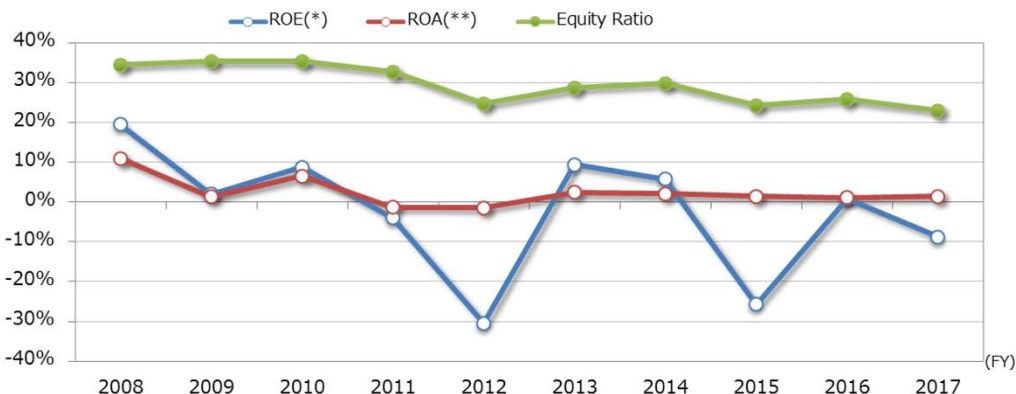
● Ordinary Profit(loss) Margin



● Net Income(loss) Margin



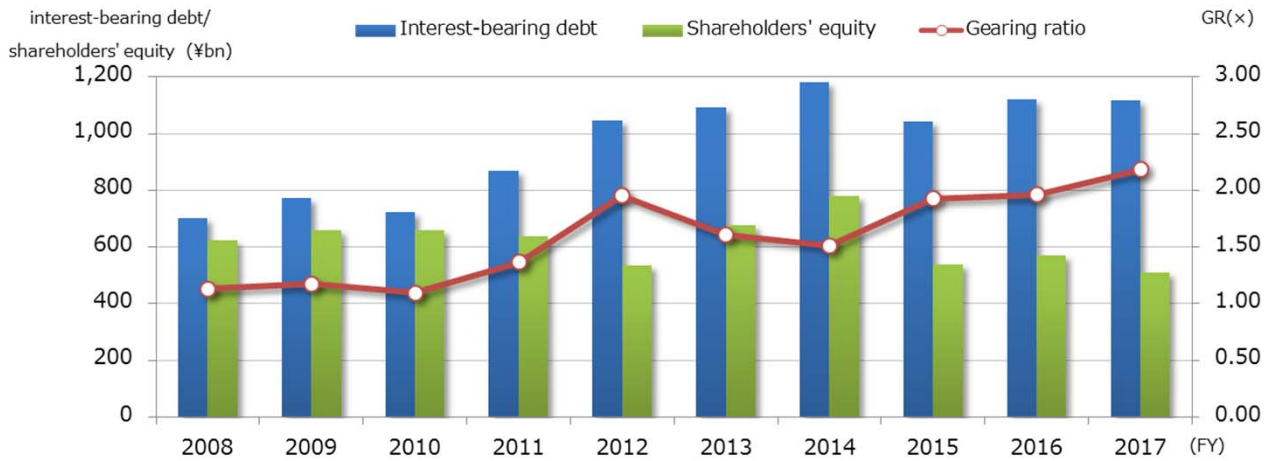
● ROE · ROA



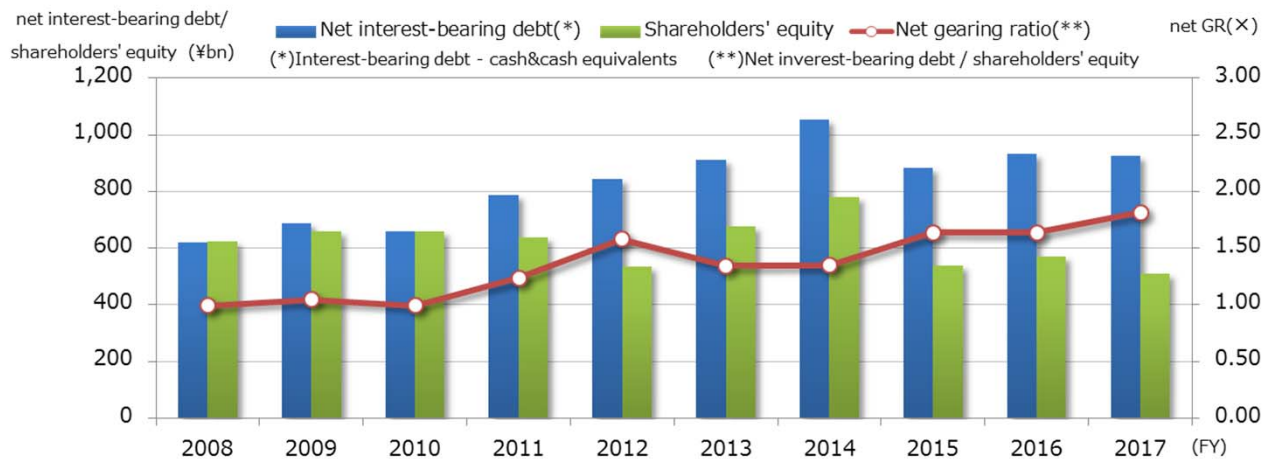
(*) Net income / Average shareholders' equity at the beginning and the end of the fiscal year
 (**) Ordinary profit(loss) / Average total assets at the beginning and the end of the fiscal year

● Interest-bearing Debt · Shareholders' Equity · Gearing Ratio

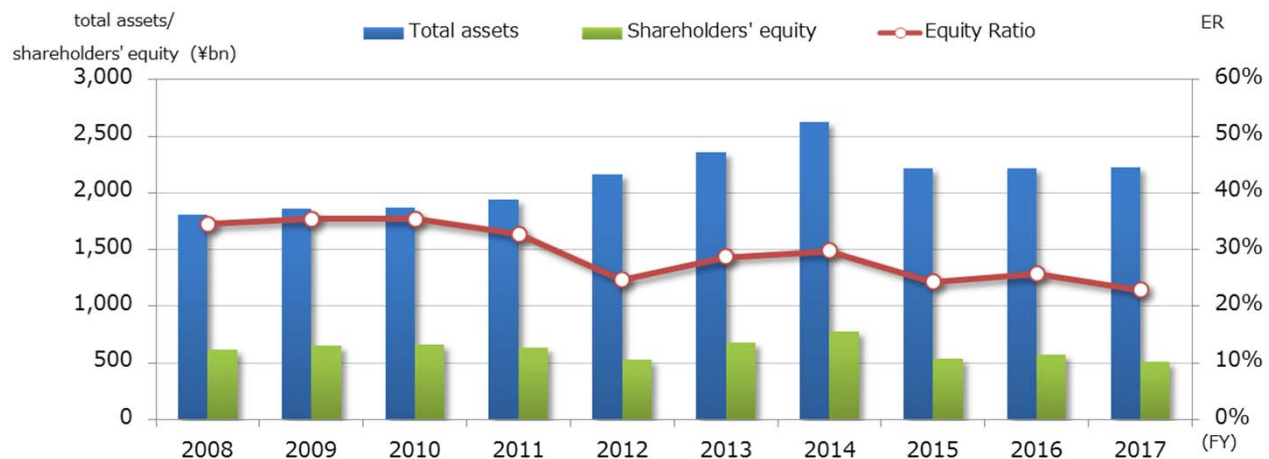
refer to P45 for figures



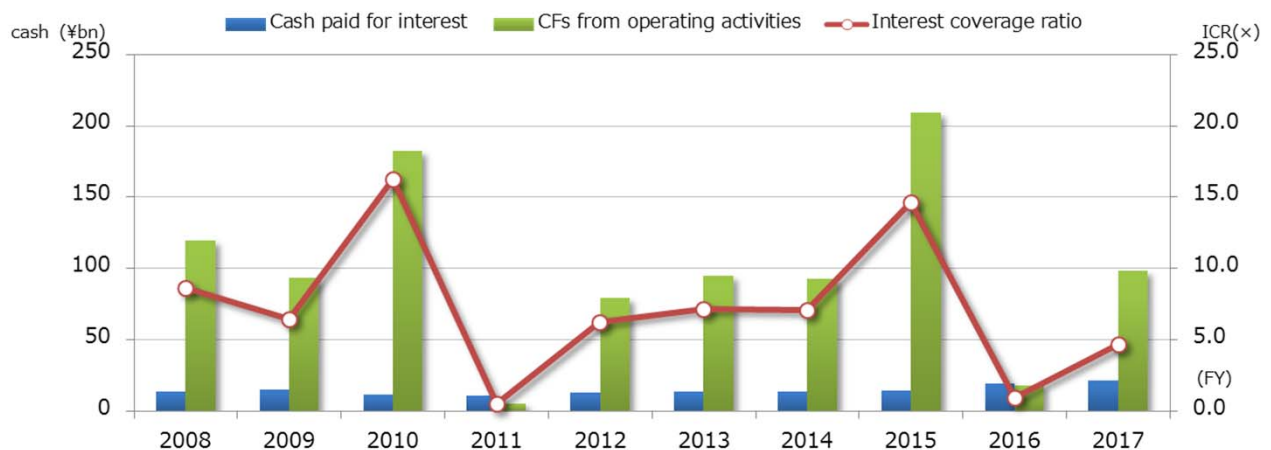
● Net Interest-bearing Debt · Net Gearing Ratio



● Total Assets · Shareholders' Equity · Equity Ratio

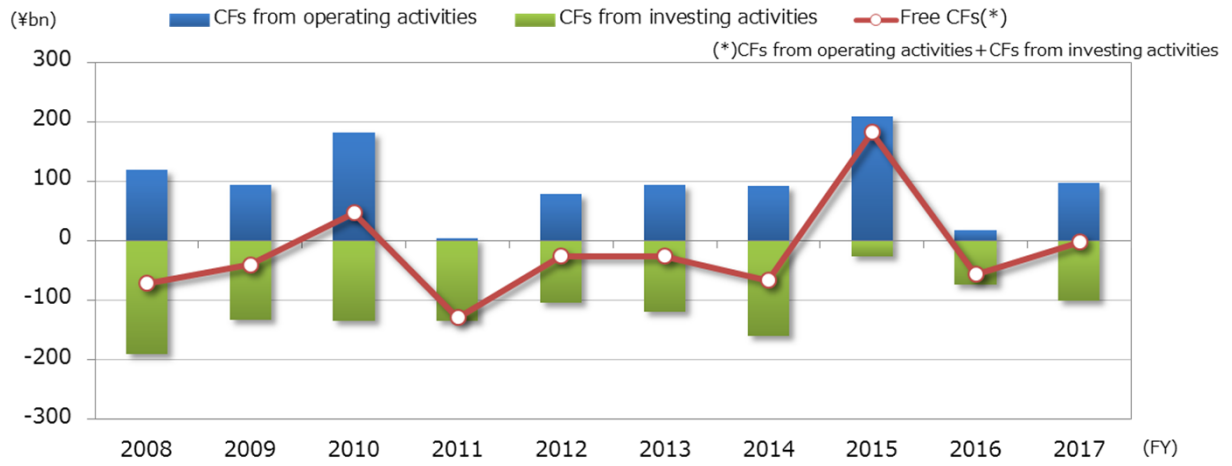


● Cash Paid for Interest · CFs from Operating Activities · Interest Coverage Ratio

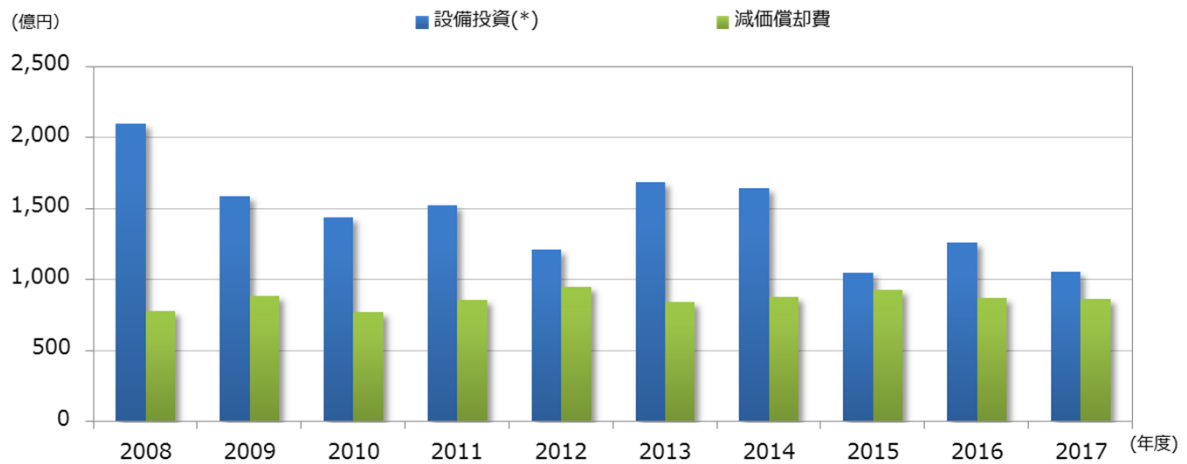


● CFs from Operating Activities · CFs from Investing Activities · Free CFs

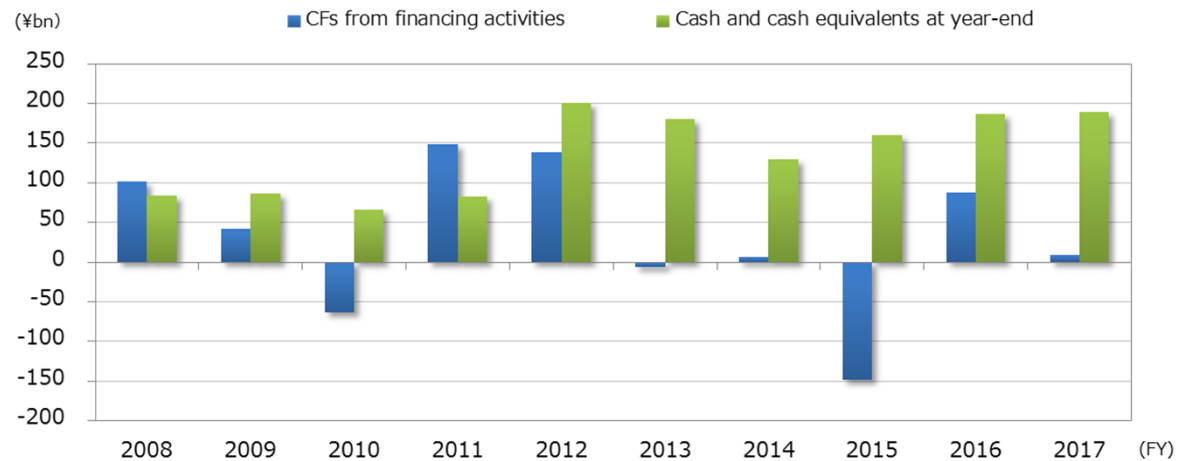
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● Capital Expenditure · Depreciation & Amortization

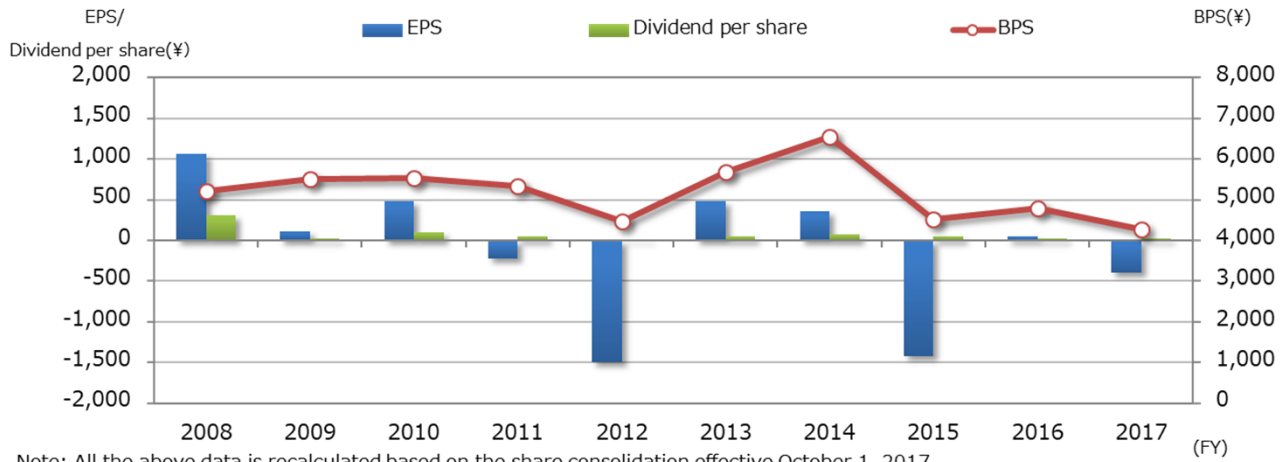


● CFs from Financing Activities · Cash & Cash Equivalents at term end



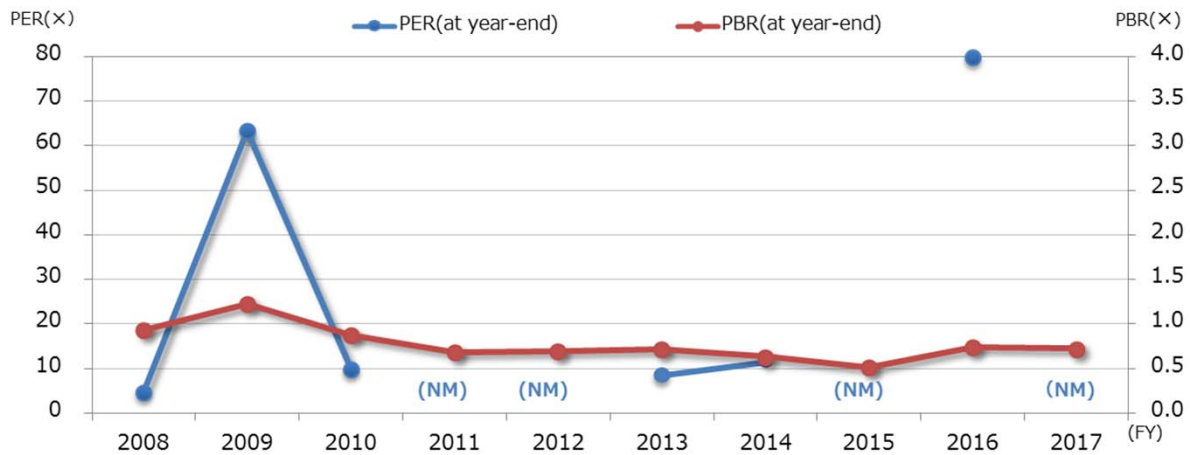
● EPS · Dividend per Share · BPS

refer to P45 for figures

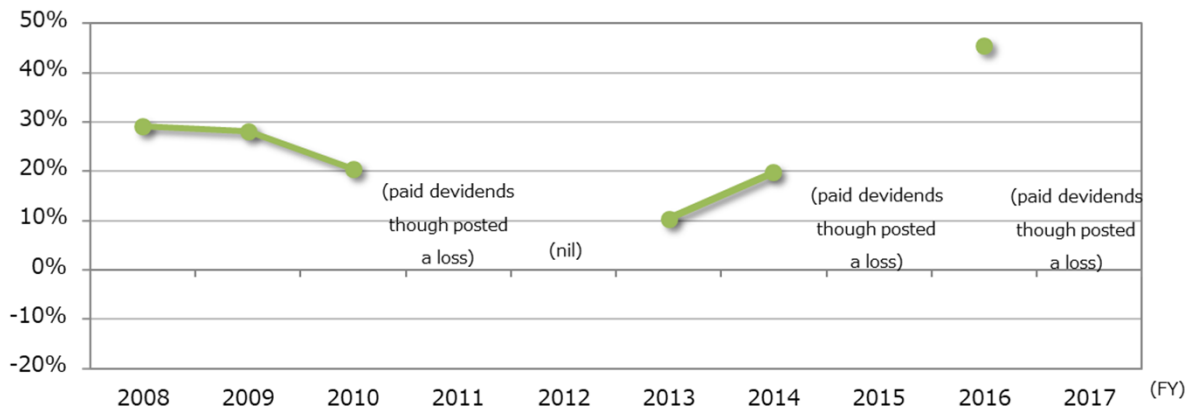


Note: All the above data is recalculated based on the share consolidation effective October 1, 2017.

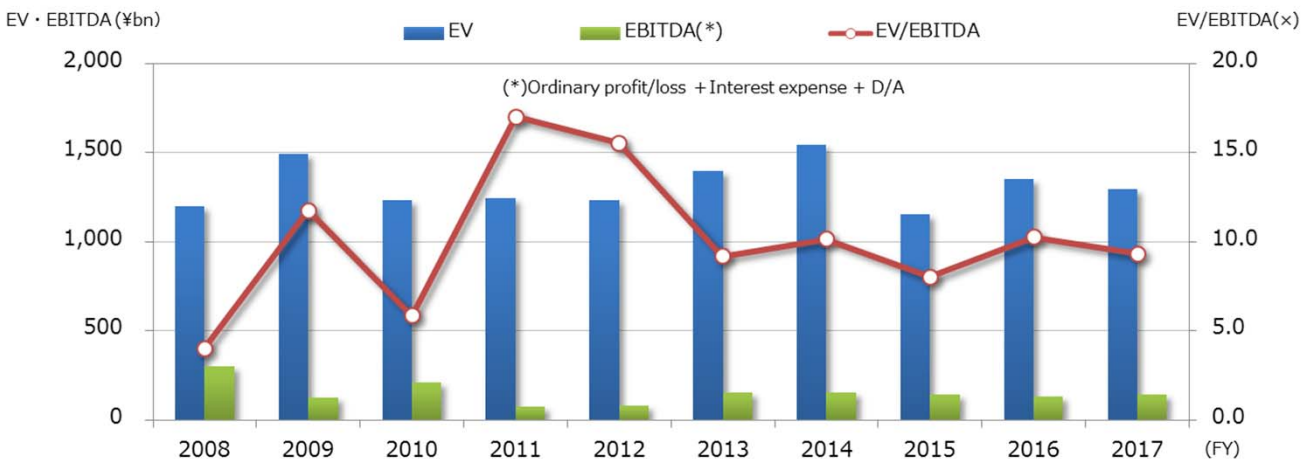
● PER · PBR



● Payout Ratio



● EV · EBITDA



● Financial Statements (10-year summary)

(¥ mm)

		(FY)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
		(Year ended)	Mar.2009	Mar.2010	Mar.2011	Mar.2012	Mar.2013	Mar.2014	Mar.2015	Mar.2016	Mar.2017	Mar.2018
P/L	Shipping and other revenues		1,865,802	1,347,964	1,543,660	1,435,220	1,509,194	1,729,452	1,817,069	1,712,222	1,504,373	1,652,393
	Shipping and other expenses		1,564,485	1,228,478	1,328,959	1,368,794	1,432,014	1,587,902	1,683,795	1,594,568	1,388,264	1,513,736
	D/A		78,155	88,366	77,445	85,624	94,685	83,983	87,803	92,771	87,190	86,629
	Selling,general/administrative expenses		104,104	98,546	91,300	90,885	92,946	100,458	116,024	115,330	113,551	115,972
	Operating profit/loss		197,211	20,939	123,400	-24,459	-15,766	41,092	17,249	2,323	2,558	22,684
	Non-operating income		31,401	19,996	17,226	17,581	12,304	29,507	48,765	50,747	45,538	35,402
	Interests and dividends		7,959	4,315	5,506	7,957	5,165	9,340	9,624	10,209	11,939	14,637
	Equity in earnings of affiliates		15,999	5,362	8,174	3,300	-	-	4,930	9,178	5,543	-
	FX gains		-	3,353	-	-	-	11,392	25,523	23,907	24,179	16,834
	Non-operating expenses		24,102	16,701	19,005	17,442	25,105	15,613	14,685	16,803	22,670	26,613
	Interests		13,929	14,175	11,371	11,511	13,020	12,583	12,555	14,576	19,037	20,413
	Equity in losses of affiliates		-	-	-	-	4,935	1,234	-	-	-	3,428
	FX losses		4,610	-	4,584	4,440	3,296	-	-	-	-	-
	Ordinary profit/loss		204,510	24,234	121,621	-24,320	-28,568	54,985	51,330	36,267	25,426	31,473
	Extraordinary income		20,272	27,559	11,160	14,022	16,064	36,050	26,152	30,011	35,206	21,566
	Gain on sale of fixed assets		12,824	15,565	6,359	11,558	12,253	7,094	16,225	9,430	6,125	16,979
	Extraordinary loss		27,050	24,017	37,415	23,218	125,434	19,325	19,150	220,665	37,328	81,748
	Loss on sale of fixed assets		354	5,513	2,459	664	3,104	6,510	896	628	1,259	1,310
	Loss for impairment		-	-	10,238	5,468	10,978	6,447	10,198	-	22,273	-
	Income/loss before income tax		197,732	27,776	95,366	-33,516	-137,938	71,710	58,332	-154,385	23,303	-28,709
Income taxes-current		65,073	8,078	36,431	9,546	11,324	13,796	12,440	11,133	13,323	10,729	
Income taxes-deferred		638	3,763	-2,797	-20,814	24,799	-4,525	-2,577	260	-625	2,002	
Profit/loss attributable to non-controlling interests		5,032	3,211	3,455	3,761	4,783	5,045	6,113	4,668	5,348	5,939	
Profit/loss attributable to owners of parent		126,987	12,722	58,277	-26,009	-178,846	57,393	42,356	-170,447	5,257	-47,380	
B/S	Total assets		1,807,079	1,861,312	1,868,740	1,946,161	2,164,611	2,364,695	2,624,049	2,219,587	2,217,528	2,225,636
	Current assets		428,597	352,030	344,443	386,936	514,246	533,639	511,795	456,475	481,477	480,036
	Tangible fixed assets		1,106,746	1,209,175	1,257,823	1,293,802	1,303,967	1,379,244	1,498,028	1,376,431	1,323,665	1,290,929
	Total liabilities		1,112,058	1,125,609	1,128,493	1,228,252	1,545,118	1,581,146	1,731,614	1,572,662	1,533,907	1,597,591
	Current liabilities		440,909	355,185	374,268	322,851	425,725	430,045	505,346	463,794	383,456	478,287
	Interest-bearing debt		702,617	775,114	724,259	869,619	1,046,865	1,094,081	1,183,401	1,044,980	1,122,400	1,118,089
	Shareholders' equity *1		623,715	659,508	660,795	637,422	535,422	679,160	782,556	540,951	571,983	511,242
	Owners' equity		727,131	719,532	767,380	732,402	550,714	605,768	636,530	458,121	459,226	410,620
	Retained earnings		623,626	616,736	664,645	629,667	447,829	502,833	533,484	354,179	355,263	306,642
	Free cash flows : [a]+[b]		-71,038	-40,055	46,970	-129,298	-25,285	-25,615	-66,656	182,508	-56,318	-2,471
C/F	CFs from operating activities[a]		118,984	93,428	181,755	5,014	78,955	94,255	92,494	209,189	17,623	98,380
	CFs from investing activities[b]		-190,022	-133,483	-134,785	-134,312	-104,240	-119,870	-159,150	-26,681	-73,941	-100,851
	Capital Expenditure *2		210,108	158,918	143,579	152,151	120,886	169,028	164,275	104,813	126,080	105,638
Indices	Ordinary income margin		11.0%	1.8%	7.9%	-1.7%	-1.9%	3.2%	2.8%	2.1%	1.7%	1.9%
	Return on assets(ordinary income)		11.0%	1.3%	6.5%	-1.3%	-1.4%	2.4%	2.1%	1.5%	1.1%	1.4%
	Assets turnover		1.01	0.73	0.83	0.75	0.73	0.76	0.73	0.71	0.68	0.74
	EBITDA *3		296,594	126,775	210,437	72,815	79,137	151,551	151,688	143,614	131,653	138,515
	EV/EBITDA		4.0	11.8	5.9	17.0	15.5	9.2	10.15	8.03	10.26	9.32
	Interest coverage ratio		8.6	6.4	16.2	0.5	6.2	7.2	7.1	14.6	0.9	4.6
	ROE *4		19.5%	2.0%	8.8%	-4.0%	-30.5%	9.5%	5.8%	-25.8%	0.9%	-8.7%
	ROA *5		11.0%	1.3%	6.5%	-1.3%	-1.4%	2.4%	2.1%	1.5%	1.1%	1.4%
	Gearing ratio *6		113%	118%	110%	136%	196%	161%	151%	193%	196%	219%
	Net gearing ratio *7		99%	105%	100%	123%	158%	135%	135%	164%	164%	182%
Equity ratio		34.5%	35.4%	35.4%	32.8%	24.7%	28.7%	29.8%	24.4%	25.8%	23.0%	
*9 Per-share	EPS(¥)		1,061	106	488	-218	-1,496	480	354	-1,425	44	-396
	Shareholders' equity per share(¥)		5,212	5,517	5,528	5,333	4,478	5,679	6,543	4,523	4,782	4,275
	Dividend per share(¥)		310	30	100	50	0	50	70	50	20	20
	PER(at fiscal year-end)		4.53	63.12	9.83	NM	NM	8.38	11.52	NM	79.64	NM
	PBR(at fiscal year-end)		0.92	1.22	0.87	0.68	0.69	0.71	0.62	0.51	0.73	0.72
	Payout ratio(consolidated)		29.2%	28.2%	20.5%	NM	NM	10.4%	19.8%	NM	45.5%	NM
	Cash flows per share(¥)		994	782	1,520	42	660	788	773	1,749	147	823
	Number of shares issued and outstanding at year-end *8		119,662,956	119,540,772	119,604,338	119,605,223	119,606,784	119,595,529	119,611,158	119,607,590	119,606,742	119,595,611

*1 After FY2006: "Owners' equity" + "accumulated gains/losses from valuation and translation adjustments"

*2 The actual amount calculated by deducting proceeds from the sale of vessels when delivered from "tangible/intangible fixed assets increased"

*3 Ordinary profit(loss) + Interest expense + Depreciation and amortization

*4 Net income / Average shareholders' equity at the beginning and the end of the fiscal year

*5 Ordinary profit(loss) / Average total assets at the beginning and the end of the fiscal year

*6 Interest-bearing debt / Shareholders' equity

*7 (Interest-bearing debt- cash&cash equivalents) / Shareholders' equity

*8 Excluding "Treasury shares"

*9 The company consolidated its common shares on the basis of one (1) unit for every ten (10) shares effective October 1, 2017. Accordingly, the relevant figures are calculated on the assumption that the consolidation of shares was conducted at the beginning of FY2008.

● Segment Information(10-year summary)

		(FY)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Shipping and other revenues	Bulkships		998,542	721,725	790,572	726,011	731,269	836,408	857,289	838,893	744,287	Dry Bulk Business	272,956
	Containerships		639,694	466,378	586,649	542,426	606,588	713,503	787,068	719,108	620,714	Energy Transport Business	262,245
	Logistics		56,270	-	-	-	-	-	-	-	-	Product Transport Business	1,010,885
	Ferries/Coastal RoRo ships		54,534	50,815	50,089	52,134	54,285	55,603	56,032	49,618	42,036	(Containerships only)	(749,714)
	Associated businesses		107,033	99,795	108,447	106,709	109,649	116,599	108,388	96,606	90,025	Associated businesses	90,095
	Others		9,727	9,250	7,901	7,939	7,401	7,338	8,290	7,996	7,310	Others	16,208
	Total		1,865,802	1,347,964	1,543,660	1,435,220	1,509,194	1,729,452	1,817,069	1,712,222	1,504,373	Total	1,652,393
Ordinary profit/loss	Bulkships		213,345	66,986	70,837	-6,921	-24,799	57,121	54,105	54,857	39,051	Dry Bulk Business	15,414
	Containerships		-21,329	-56,878	38,853	-29,910	-11,291	-14,553	-24,146	-29,831	-32,864	Energy Transport Business	13,633
	Logistics		822	-	-	-	-	-	-	-	-	Product Transport Business	-6,328
	Ferries/Coastal RoRo ships		-888	-2,340	-565	-533	1,282	2,236	4,461	4,424	4,506	(Containerships only)	(-10,691)
	Associated businesses		12,976	9,712	10,676	9,098	10,745	11,146	10,925	10,171	12,337	Associated businesses	12,657
	Others		2,767	1,263	3,361	4,303	2,449	4,576	4,183	3,549	1,810	Others	2,601
	Adjustment		-3,183	5,490	-1,542	-356	-6,954	-5,541	1,802	-6,903	585	Adjustment	-6,506
Total		204,510	24,234	121,621	-24,320	-28,568	54,985	51,330	36,267	25,426	Total	31,473	
Assets	Bulkships		910,659	1,008,724	1,173,526	1,194,813	1,298,682	1,501,313	1,719,713	1,526,582	1,441,137	Dry Bulk Business	341,638
	Containerships		362,536	357,412	386,911	365,975	403,166	449,725	496,486	397,080	388,029	Energy Transport Business	866,429
	Logistics		47,053	-	-	-	-	-	-	-	-	Product Transport Business	648,595
	Ferries/Coastal RoRo ships		42,664	42,721	38,407	36,089	36,420	35,088	40,535	44,096	54,418	(Containerships only)	(384,612)
	Associated businesses		293,066	315,924	342,748	355,341	379,969	386,851	426,130	416,454	415,399	Associated businesses	422,008
	Others		376,655	376,316	317,865	278,060	303,649	325,937	346,182	162,724	359,526	Others	347,336
	Adjustment		-225,556	-239,786	-390,718	-284,118	-257,276	-334,220	-404,999	-327,352	-440,981	Adjustment	-400,372
Total		1,807,079	1,861,312	1,868,740	1,946,161	2,164,611	2,364,695	2,624,049	2,219,587	2,217,528	Total	2,225,636	
D/A	Bulkships		48,949	54,612	50,509	58,370	66,689	55,545	59,234	62,112	62,246	Dry Bulk Business	11,749
	Containerships		15,398	17,778	11,776	13,433	14,900	15,014	16,109	16,907	12,130	Energy Transport Business	37,105
	Logistics		1,413	-	-	-	-	-	-	-	-	Product Transport Business	27,283
	Ferries/Coastal RoRo ships		3,948	5,231	4,255	3,866	3,530	3,302	2,278	2,022	1,905	(Containerships only)	(11,525)
	Associated businesses		6,033	8,640	9,049	8,254	7,963	8,622	8,510	10,090	9,395	Associated businesses	9,143
	Others		2,156	1,921	1,604	1,446	410	326	283	272	319	Others	361
	Adjustment		256	183	250	252	1,190	1,171	1,388	1,366	1,192	Adjustment	985
Total		78,155	88,366	77,445	85,624	94,685	83,983	87,803	92,771	87,190	Total	86,629	
tangible/intangible fixed assets increased	Bulkships		154,274	146,949	136,262	158,188	128,440	140,188	138,058	87,115	87,182	Dry Bulk Business	5,912
	Containerships		36,640	30,592	38,604	8,209	11,462	28,510	21,782	15,525	28,307	Energy Transport Business	87,430
	Logistics		971	-	-	-	-	-	-	-	-	Product Transport Business	48,508
	Ferries/Coastal RoRo ships		1,082	1,131	1,316	829	1,101	1,424	3,193	5,865	20,229	(Containerships only)	(21,735)
	Associated businesses		26,643	24,374	41,187	5,442	20,339	10,484	32,341	5,177	4,937	Associated businesses	5,967
	Others		3,562	1,180	2,342	2,768	621	145	181	123	180	Others	763
	Adjustment		32	-37	730	289	2,924	5,395	587	1,903	955	Adjustment	612
Total		223,208	204,190	220,443	175,726	164,890	186,148	196,145	115,712	141,793	Total	149,195	

Note1: Logistics segment has been integrated into Containerships segment since FY2009.

Note2: A segment name change from Ferry/Domestic transport to Ferries/Coastal RoRo ships in FY2016.

Note3: From FY2017, the segments for disclosure is changed.

● Quarterly Segment Information (two years)

		(FY)	2016					2017				
		(Quarter)	Q1	Q2	Q3	Q4	Full-year	Q1	Q2	Q3	Q4	Full-year
Shipping and other revenues	Dry Bulk Business		63,009	62,090	68,214	74,551	267,864	69,325	64,254	66,711	72,666	272,956
	Energy Transport Business		62,557	59,963	58,473	76,841	257,834	64,596	63,506	67,836	66,307	262,245
	Product Transport Business		207,718	204,971	215,938	242,735	871,362	242,359	261,283	259,270	247,973	1,010,885
	(Containerships only)		(146,732)	(144,952)	(154,584)	(174,446)	(620,714)	(179,758)	(193,518)	(192,798)	(183,640)	(749,714)
	Associated businesses		22,472	22,767	21,415	23,371	90,025	22,899	22,345	22,511	22,340	90,095
	Others		4,321	3,690	3,839	5,436	17,286	4,103	4,228	4,432	3,445	16,208
	Total		360,079	353,481	367,880	422,933	1,504,373	403,284	415,617	420,760	412,732	1,652,393
Ordinary income/loss	Dry Bulk Business		1,515	3,890	3,980	2,592	11,977	4,845	3,131	3,270	4,168	15,414
	Energy Transport Business		7,053	8,278	2,616	8,552	26,499	3,483	1,504	4,392	4,254	13,633
	Product Transport Business		-10,892	-8,567	-4,431	-4,135	-28,025	-4,954	5,237	4,609	-11,220	▲ 6,328
	(Containerships only)		(-11,652)	(-9,733)	(-4,749)	(-6,730)	(-32,864)	(-6,256)	(2,113)	(3,771)	(-10,319)	(-10,691)
	Associated businesses		3,108	2,621	3,436	3,172	12,337	3,785	2,928	3,576	2,368	12,657
	Others		764	-47	1,218	116	2,051	1,173	77	1,080	271	2,601
	Adjustment		-816	-1,409	1,494	1,316	585	-2,449	-1,415	292	-2,934	▲ 6,506
Total		733	4,765	8,313	11,615	25,426	5,885	11,462	17,217	-3,091	31,473	

Note: The figures for FY2016 are reclassified in line with the new disclosure segment, with adjustment of inter-segment transactions.

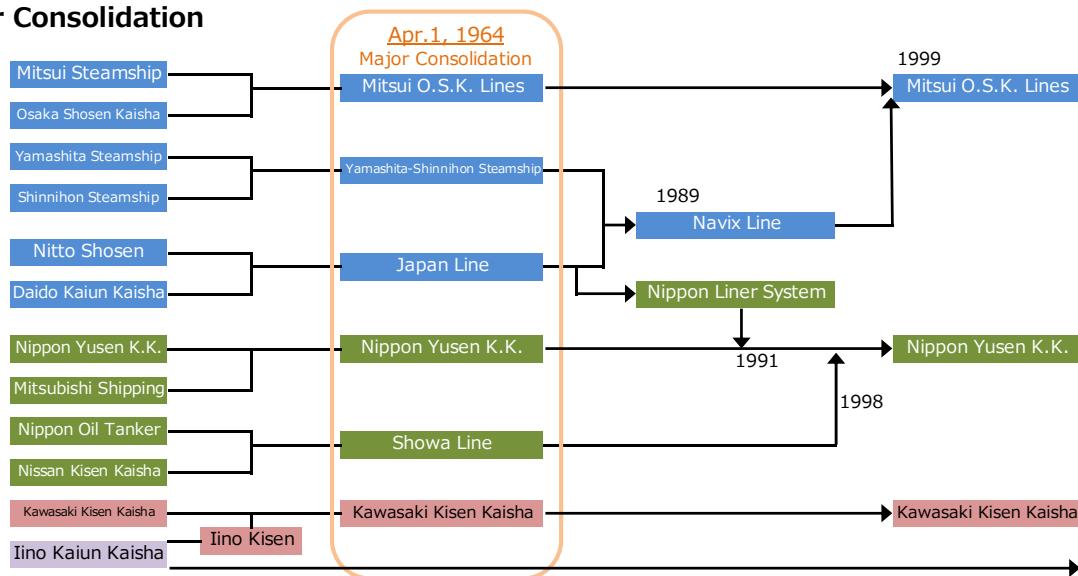
History

- 1884 Osaka Shosen Kaisha(OSK Line) is founded.
- 1930 The high-speed cargo ship *KINAI MARU* is launched, and covers the Yokohama-NYC route in 25 days and 17.5 hours, well below the industry average of 35 days.
- 1939 The *ARGENTINA MARU* and *BRASIL MARU* are built as cargo/passenger liners on the South America route, which represent the state-of-the-art in Japanese shipbuilding at the time.
- 1942 Mitsui & Co., Ltd. spins off its Shipping Department to create Mitsui Steamship Co., Ltd.
- 1961 World's first automated ship, the *KINKASAN MARU*, with an engine room operated entirely from the bridge, is launched.
- 1964 Japan's shipping industry undergoes a major consolidation, with mergers creating six companies; Mitsui O.S.K. Lines(MOL) by a merger of OSK Lines/Mitsui Steamship, Japan Line(JL) by a merger of Nitto Shosen/Daido Kaiun, Yamashita-Shinnihon Steamship(YSL) by a merger of Yamashita Kisen/Shinnihon Kisen.
- 1965 Japan's first specialized car carrier, the *OPPAMA MARU*, is launched.
- 1968 MOL, JL, and YSL launch the full containerships *AMERICA MARU*, *JAPAN ACE*, and *KASHU MARU*, respectively, on the Japan-California route.
- 1982 MOL enters methanol transport business.
- 1983 LNG carrier, the *SENSHU MARU*, is launched, and MOL enters LNG transport business.
- 1984 MOL expands into product tanker business.
- 1985 The container terminal company TraPac, Inc. is founded in Los Angeles.
Double-stack container train(DST) operations begin from Los Angeles.
- 1989 Navix Line is established by the merger of JL and YSL.
Japan's first full-fledged cruise ship, the *FUJI MARU*, is launched, ushering in the era of leisure cruises in Japan.
MOL acquires a share in LNG carrier operator BGT (BGT becomes an MOL consolidated subsidiary in 1998).
- 1990 MOL acquires a share in forwarder J.F. Hillebrand of Germany / MOL takes over the logistics company Wassing of the Netherlands.
- 1991 MOL acquires a share in Gearbulk, a Norwegian open-hatch bulker operator.
- 1993 Crew training school is established in Manila.
- 1994 A series of the mid-term management plans calling for "Creative Redesigning" begin.
- 1995 Container route service through a strategic international tie-up called The Global Alliance (TGA), begins.
The first double hull VLCC the *ATLANTIC LIBERTY*, is launched.
- 1996 MOL acquires a share in chemical tanker operator Tokyo Marine(becomes a consolidated subsidiary of MOL).
- 1998 The New World Alliance (TNWA) is inaugurated.
- 1999 New Mitsui O.S.K. Lines is established by the merger of MOL and Navix Line.
MOL (Japan) Ltd. is established.
- 2000 Corporate governance system is reformed; introduce executive officer system and invites outside directors.
MOL Environmental Policy Statement is established.
- 2001 MOL Group Corporate Principles is issued.
- 2004 Mid-term management plan MOL STEP, with the main theme of "Growth" starts.
Daibiru Corporation becomes a consolidated subsidiary of MOL.
- 2005 MOL forms a strategic tie-up with Kintetsu World Express.
- 2006 Utoc Corporation becomes a consolidated subsidiary of MOL.
MOL Formulates Measures to Reinforce Safe Operation Structure with the Slogan "Returning to Basics", addressing four marine incidents with utmost seriousness.
- 2007 Mid-term management plan MOL ADVANCE, with the main theme of "Growth with Enhanced Quality" starts.
The world's largest iron ore carrier, third-generation *BRASIL MARU* is launched.
- 2009 MOL forms the concept for its next generation vessels "ISHIN" Series.
Japan's first Shuttle and Regasification Vessel(SRV) the *GDF SUEZ NEPTUNE* is launched.
- 2010 Mid-term management plan GEAR UP! MOL, with the main theme of "Challenge to Create New Growth" starts.
MOL signs a contract for long-term charters of LNG vessels by ExxonMobil, which are planned to be built in China.
The first participation in FPSO chartering for Petrobras, the Brazilian national oil company.
- 2011 Support Activities by MOL cruise ship and ferry in areas stricken by the Great East Japan earthquake and Tsunami.
The G6 Alliance is inaugurated in Asia/Europe trade by TNWA and GA(Grand Alliance).
The LR1 product tanker pool management company "Straits Tankers" is founded.
The VLCC pool management company "Nova Tankers" is founded.
MOL wins orders for Indonesia's 1st Coastal LNG Transport Project.
- 2012 World's first Hybrid car carrier *Emerald Ace* is launched.
MOL receives EVO's Top Award for Container Service. *Eigen Verladere Organisatie(EVO)
- 2013 Business Structural Reforms executed; Transferred sales and vessel operations of the dry bulker fleet (over 130 vessels) to Singapore.
The single-year management plan "RISE 2013", with the target of absolutely achieving profitability in FY2013.
G6 Alliance expands cooperation to Transpacific(Asia/USEC) trade.
The chemical tanker pool management company "Milestone Chemical Tankers" is founded by Tokyo Marine.
- 2014 Mid-term management plan STEER FOR 2020, with the main theme of "Solid growth through innovative changes" starts.
MOL forms a strategic alliance with Brookfield, aimed at enhancing and expanding MOL's container terminal business.
G6 Alliance expands cooperation to Transpacific(Asia/USWC) and Transatlantic trades.
MOL signs the first contract for a LNG carrier to transport shale gas from USA to Japan (for Tokyo Gas).

MOL General Information

- 2014
 - MOL signs ship building contracts for ice class LNG carriers for Yamal (Russia) LNG project.
 - MOL establishes a J/V with Viken Shipping and embarks on a shuttletanker business.
 - MOL seals long term shipping deal with Reliance, which makes MOL to be the first shipping company to serve liquefied ethane transportation by very large ethane carriers (VLEC).
 - The MR product tanker pool management company "Clean Products Tankers Alliance" is founded.
- 2015
 - New LNG carrier Papua delivered - 1st LNG carrier built in China for non-Chinese shipping company.
 - The VLGC product tanker pool management company "Helios LPG" is founded.
 - MOL announces building and chartering 6x 20,000TEU containerships, which are the world's largest among existing and on-order containerships.
 - MOL Introduces "MOL CHART".
 - Rotterdam World Gateway (RWG) Opens in Port of Rotterdam.
- 2016
 - MOL Breaks Ground on New Maritime Academy in Philippines
 - MOL, NYK, and K-Line agreed to establish a new J/V to integrate the container shipping businesses.
 - MOL moves into offshore vessel support field.
 - MOL launches "ISHIN NEXT - MOL SMART SHIP PROJECT -", a new technological development project.
- 2017
 - MOL to invest in self-elevating platform vessel operator.
 - A new container alliance "THE Alliance" is inaugurated.
 - New management plan "Rolling Plan 2017" starts.
 - MOL sets sights on construction of LNG-fueled tugboat -MOL's first ownership of a tugboat powered by LNG fueled engines.
 - The new J/V "Ocean Network Express" is established to integrate the container shipping businesses.
 - New FSRU "MOL FSRU Challenger" delivered - 1st FSRU independently owned and operated by Japanese shipping company.
- 2018
 - The 1st next-generation FLEXIE series car carrier "BELGA ACE" delivered.
 - The new J/V "Ocean Network Express" commences service.
 - Management plan "Rolling Plan 2018" starts.

(Ref.) Major Consolidation



● Credit Ratings (as of September 2018)

for latest information <http://www.mol.co.jp/en/ir/stock/rate/index.html>

Credit Agency	Type of Rating	Rating
JCR	Long-term senior debt(issuer) rating	A-
R&I	Issuer rating	BBB
Moody's	Corporate family rating	Ba1, Possible Downgrade (Ratings Under Review)

● Bonds (as of May.2018)

	Date of issue	Years	Interest Rate	Total amount of issue	Outstanding
Straight bonds No.12	May/27/2009	10 years	1.999%	JPY 20 bn	JPY 18.5 bn
Straight bonds No.15	Jun/21/2011	10 years	1.361%	JPY 20 bn	JPY 17.8 bn
Straight bonds No.18	Jul/12/2012	10 years	1.139%	JPY 10 bn	JPY 8.7 bn
Euro USD Zero Coupon Convertible bonds(*1)(*2)	Apr/24/2014	6 years	Zero coupon	USD 200 mm	USD 200 mm
Straight bonds No.19	Jun/19/2014	10 years	0.970%	JPY 29.6 bn	JPY 29.5 bn

(*1) Conversion Price USD4.78:However, a bondholder may exercise its stock acquisition rights only if the closing price of the shares is more than 130 per cent of the conversion price for a certain period of time.

(*2) The anticipated future dilution ratio would be 3.47% (which is the percentage by which the total number of issued shares as of 31 March 2014 would increase in case that the bond is fully converted into shares at the above initial conversion prices). However, the Company may give notice to the bondholders, no earlier than three months before the maturity date of each Bond, to acquire from the Bondholders all the Bonds in exchange for an amount equal to 100 per cent of the principal amount of such bonds plus the Acquisition Shares, in order to mitigate the dilutive impact of conversion.

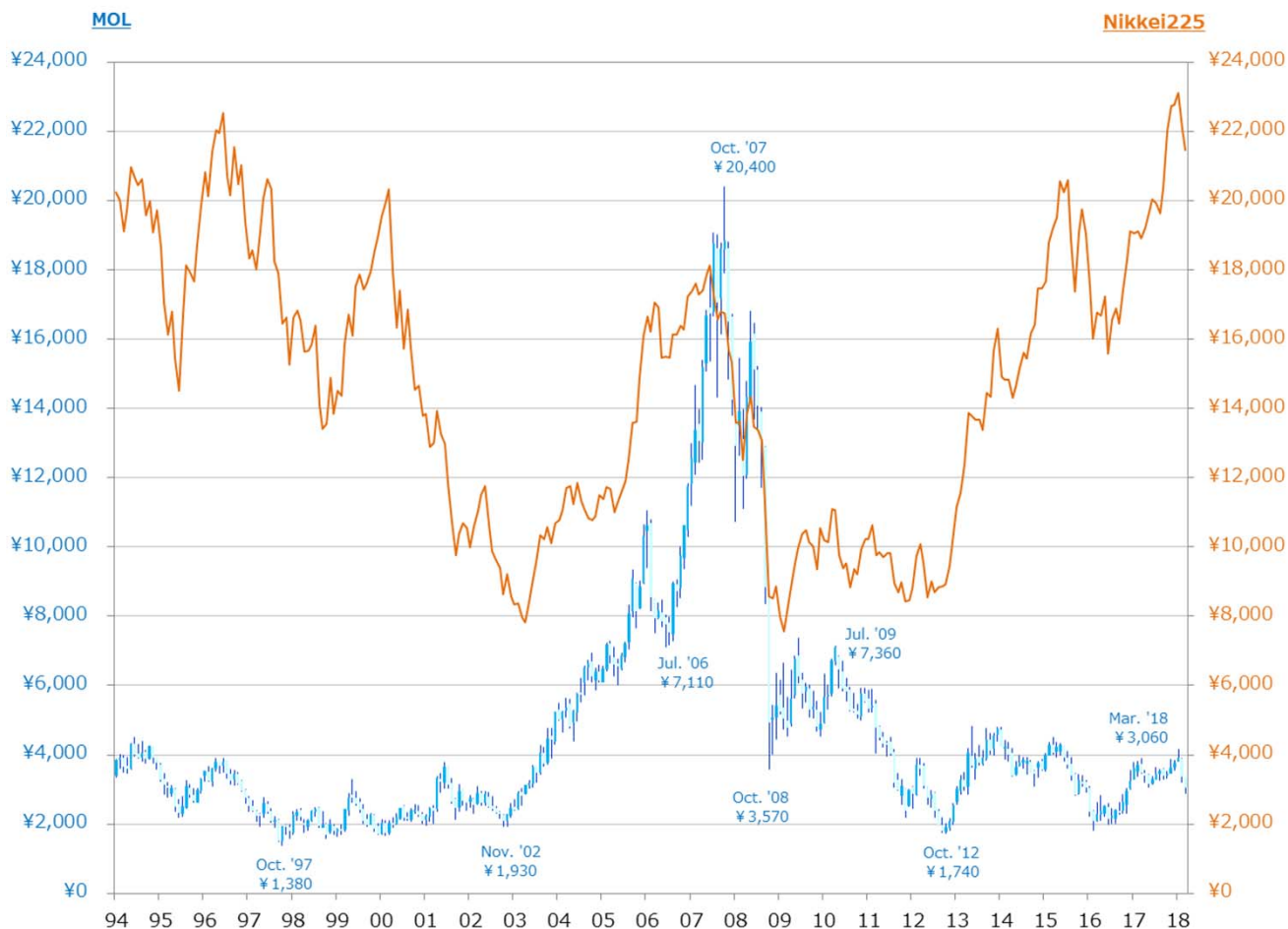
"Acquisition Shares" means such number of Shares per Bonds calculated by dividing (i) the amount by which the Acquisition Share Value exceeds the principal amount of each Bond by (ii) the Average VWAP per Share.

"Acquisition Share Value" means USD amount of the Bond calculated in accordance with the formula below :

Principal amount of the Bond/Conversion Price × Average VWAP per share

■Please refer to our press release of 25/4/2014 for further information.

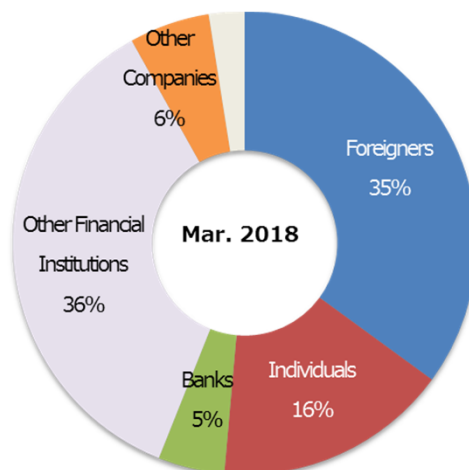
● Share Price



Note: MOL consolidated its common shares on the basis of one (1) unit for every ten (10) shares effective October 1, 2017.

All the above MOL share price data is recalculated based on the share consolidation.

● Shareholder Composition



● Shareholder Information (as of Mar. 2018)

□ Capital	JPY 65,400,351,028
□ HQ	2-1-1, Toranomon, Minato-ku, Tokyo 105-8688, Japan
□ Number of employees	10,828 (Consolidated)
□ Number of shares authorized	315,400,000
□ Number of shares issued	120,628,611
□ Trading unit	100(*1)
□ Dividend record dates	Mar.31 for Year-end dividend / Sep.30 for Interim dividend
□ Number of shareholders	86,927
□ Listed in	Tokyo(*2)
□ Transfer agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo

(*1)The number of shares constituting one unit was changed from 1,000 shares to 100 shares, simultaneously with consolidating every 10 shares into one share on October 1, 2017.

(*2)Delisting of common stock on the Nagoya Stock Exchange was made on May 18, 2017.

【Disclaimer】

Information contained in Investor Guidebook is provided solely for informational purposes and is not an offer or a solicitation of an offer to buy or sell securities. You are requested to make investment decisions using your own judgment. Although the Company has made sufficient effort to ensure the accuracy of information provided herein, the Company assumes no responsibility for any damages or liabilities including, but not limited to, those due to incorrect information or any other reason.

【Forward-Looking Statements】

This Investor Guidebook contains forward-looking statements concerning MOL's future plans, strategies and performance. These statements represent assumptions and beliefs based on information currently available and are not historical facts. Furthermore, forward-looking statements are subject to a number of risks and uncertainties that include, but are not limited to, economic conditions, worldwide competition in the shipping industry, customer demand, foreign currency exchange rates, price of bunker, tax laws and other regulations. MOL therefore cautions readers that actual results may differ materially from these predictions.

Investor Guidebook 2018

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(IR Tools)

- Website : <http://www.mol.co.jp/en/ir/index.html>
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