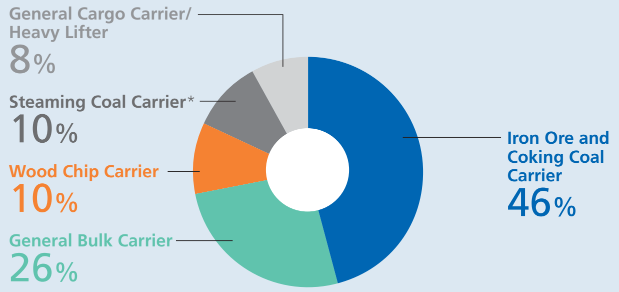
Bulkships
Dry Bulkers

Consolidated Revenues Breakdown (FY2015)

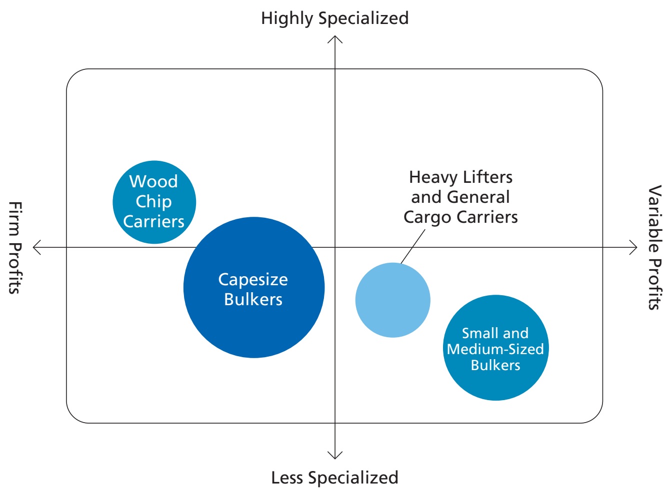


* From FY 2016, Steaming Coal Carrier business is included in the Energy Transport Business Unit.

Dry Bulker Fleet Table (Number of vessels)

Vessel Type	Standard DWT	At the end of Mar.2016	At the end of Mar.2015	Use
Capesize	180,000	92	104	Steel raw materials (iron ore, coking coal)
Panamax	80,000	31	37	Iron ore, coking coal, steaming coal, grains, etc.
Handymax	55,000	60	72	Steaming coal, grains, salt, cement, steel products, etc.
Small handy	33,000	52	56	Steel products, cement, grains, ores, etc.
Wood chip carriers	54,000	41	43	Wood chips, soybean meal, etc.
Others (Heavy lifter, General cargo carriers)	12,000	54	55	Steel products, plants, etc.
Total		330	367	

Portfolio



Kenichi Nagata Executive Vice President Director General of Dry Bulk Business Unit

Fiscal 2015 in Review

The dry bulker market in fiscal 2015 remained at historic lows even into the new year. Autumn did not bring the expected seasonal boost in demand.

As for Capesize bulkers, on the supply side, there was a slight overall increase in the number of vessels as deliveries declined and more vessels were demolished due to persistently weak market conditions. On the demand side, however, crude steel production fell in China, where the economy continues to slow, causing iron ore imports to stagnate. Sentiment soured amid weakness in forward freight agreements (FFAs) and iron ore and other commodity markets. In addition, full-scale operations of 400,000-ton very large iron-ore Valemax carriers commenced, further reducing activity in the spot market. All these factors seem to have contributed to the sluggish market conditions. The number of scrapped Panamax bulkers did, however, increase greatly and deliveries of new vessels slowed. In contrast, new deliveries of small-sized vessels greatly eclipsed demolitions. With Chinese coal imports declining due to environmental concerns, the market remained weak for small- and medium-sized dry bulkers as overcapacity persisted.

We made diligent efforts to secure highly stable profits with long-term transport contracts, improve operational efficiency and cut costs. Reflecting the severe market conditions, however, profitability significantly worsened year on year and, for the first time since fiscal 2012, this resulted in a loss.

Fiscal 2016 Initiatives

We implemented a new round of Business Structural Reforms in the fourth quarter of fiscal 2015 and recorded an extraordinary loss, which included ¥117.4 billion for such related expenses as redelivering chartered-in vessels before maturity of charter contracts and selling owned vessels.

We conducted the first set of Business Structural Reforms back in fiscal 2012. The central achievement of those reforms was shifting sales and operations of free vessels to the shipping hub Singapore, simultaneously raising the competitiveness of the fleet by lowering vessel costs to then current market prices. At the same time, we focused on raising the ratio of our fleet that is covered by cargo transport contracts. This was eventually raised from 40% to over 60% during the course of the three years that followed.

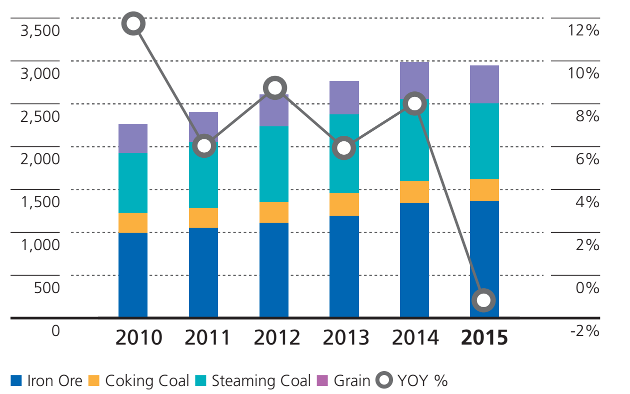
Since then, however, market conditions have worsened much more than we predicted, including the Baltic Dry Index hitting record lows as cargo flows stagnated with the slowdown in China's growth. Considering the external environment, it is unlikely for the time being that market conditions will recover to the point we had predicted in fiscal 2012. Determining the need to react swiftly to this new reality, we again implemented a round of reforms.

In this round, as for small- and medium-sized dry bulkers, we will essentially withdraw from operating free vessels on the spot market that are not backed by cargo demand. In other words, we will considerably streamline our fleet to a level in line with the number of cargo contracts we have accumulated. Our main aim is to concentrate on definitively meeting the cargo transport needs of our customers. At the same time, we are further enhancing our competitiveness by lowering the vessel costs of our remaining core fleet to match the current market. In addition, we will reduce free vessels for Capesize bulkers as well.

In fiscal 2016, we will steadily carry out the single-year management plan with the goal of completing the current set of Business Structural Reforms. We will continue to tirelessly focus our efforts on returning to profitability, recognizing the need to swiftly return to a growth trajectory by eliminating the factors that had negatively impacted the highly stable profits that our long-term transport contracts generate.

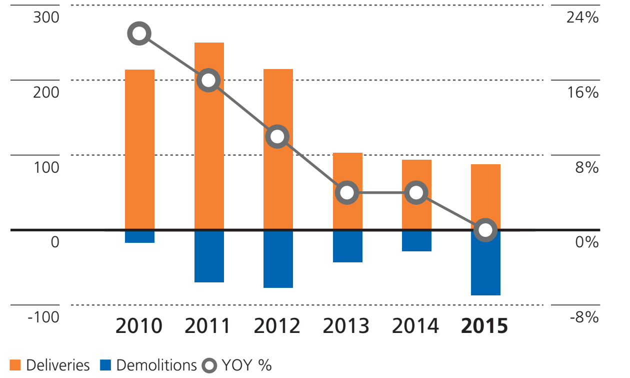
Underlined words are explained in the Glossary on page 18.

Global Seaborne Trade of Major Dry Bulk Cargoes



Source: Clarkson

Vessels Supply (Capesize) (Number of vessels)

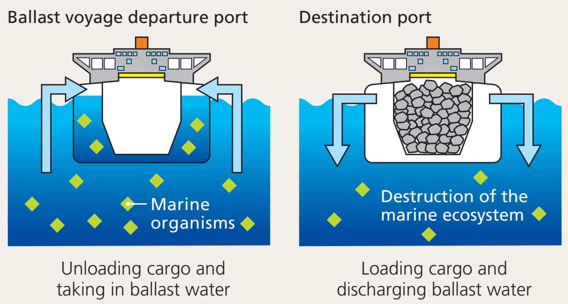


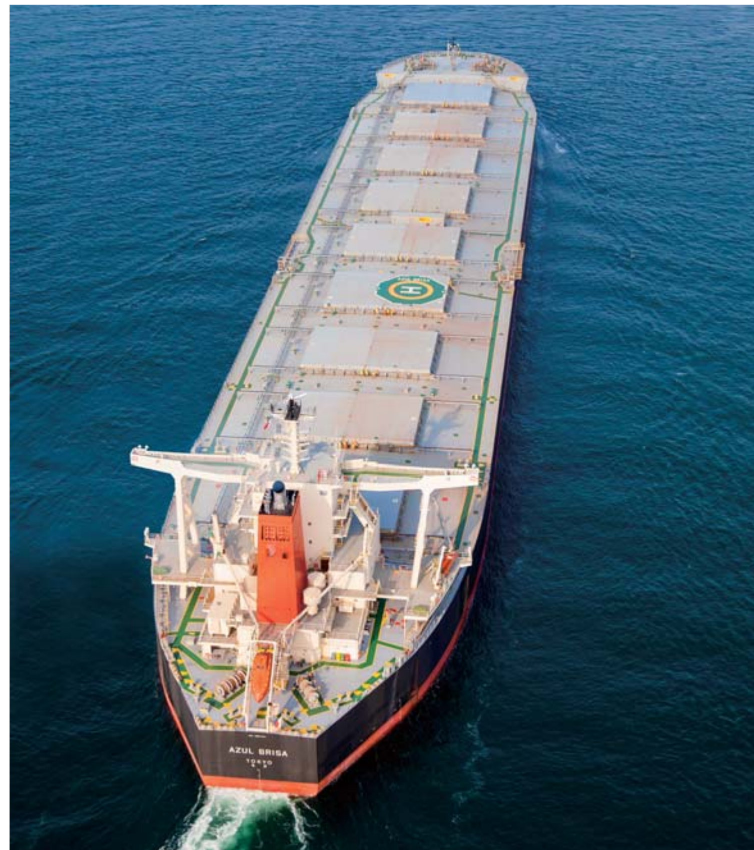
Source: MOL internal calculation based on IHS-Fairplay

Sustainability Highlights

Installing Ballast Water Treatment Systems in Advance of new Environmental Regulations

Ballast water, which is discharged while loading cargo, can transport marine organisms around the world, negatively impacting marine ecosystems and biodiversity. Accordingly, the International Maritime Organization (IMO) adopted the Ballast Water Management Convention in February 2004, and its ratification is under way. MOL developed a Ballast Water treatment system in collaboration with manufacturers and, in fiscal 2014, set a policy of installing the system on the Company's vessels before the convention takes effect. With a vigilant eye on the ratification of the convention, we have been installing the system and, in fiscal 2015, completed installation on 30 vessels including dry bulkers.





[Dry Bulker] Capesize Bulker: AZUL BRISA

Energy Transport Business Unit

Takeshi Hashimoto
Senior Managing Executive Officer
Director General of
Energy Transport Business Unit

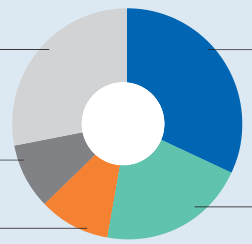
Akio Mitsuta
Managing Executive Officer
Deputy Director General of
Energy Transport Business Unit

Establishment of the "Energy Transport Business Unit"

Energy needs are diversifying. This includes the need to respond to deregulation sweeping the electric power industry. The Group established the "Energy Transport Business Unit" to comprehensively meet the complex needs of major customers, both in Japan and overseas, for petroleum, coal, LNG, ethane, methanol, LPG and other forms of energy. We reorganized the Sales Division to optimally place personnel and strengthen cooperation between sections. To ensure we propose and provide transport services most appropriate for customer needs, we will continue to enhance our sales capabilities and cost competitiveness.

Bulkships
Tankers

Consolidated Revenues Breakdown (FY2015)



Tanker Fleet Table (Number of vessels)

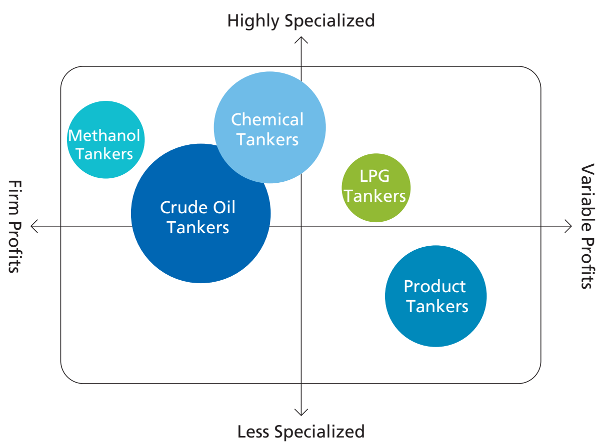
	At the end of Mar. 2016	At the end of Mar. 2015	Vessel type under pool management (at the end of March 2016)
Crude oil tankers	42	42	
Product tankers*1	45	50	LR1 (70,000 DWT) MR (50,000 DWT)
Chemical tankers*2 Including Methanol tankers	79	75	Chemical tanker
LPG tankers	9	9	VLGC (very large gas carrier, 80,000m³)
Total	175	176	

*1 Main cargoes: gasoline, naphtha, kerosene, jet fuel and gas oil, etc.
*2 Main cargoes: xylene, benzene, methanol and plant oil, etc.

Fiscal 2015 in Review

In fiscal 2015, the tanker division achieved a huge increase in profit due to favorable market conditions across all vessel types. Thanks to an increase in real, non-speculative, oil demand and a buildup in China's strategic reserves amid falling crude prices, crude oil transport demand also increased. Due to the shale revolution, West African light crude, which had been exported to the United States, is now being exported to India and China, leading to an increase in ton-miles. All of these factors have helped to greatly improve market conditions for crude oil tankers. We have worked hard to seize these favorable conditions and amass medium- to long-term contracts. In product tankers, operating rates at refineries have remained high globally and cargo flows for petroleum products have taken off, leading to solid business performance. This solid performance is also thanks to firm profits from chemical tankers operated by subsidiary Tokyo Marine Asia Pte Ltd and methanol tankers on long-term contracts.

Portfolio



The LPG tanker business remained healthy in fiscal 2015. A major Chinese client became, as both a cargo owner and a ship-owner, a member of the pool of very large LPG carriers (VLGCs) jointly operated by MOL's subsidiary Phoenix Tankers Pte Ltd. This increased the fleet size to a world-leading 29 vessels and secured new cargo on the United-States/China route.

Fiscal 2016 Initiatives

Although China is expected to continue stockpiling strategic reserves of crude oil in fiscal 2016 and beyond, we foresee the number of new VLCC deliveries increasing year on year and the market softening. The division's policy is to continue reducing market exposure and prioritize the accumulation of long-term, highly stable profits. We will continue seizing favorable market conditions and promoting the shift toward medium- and long-term transport contracts.

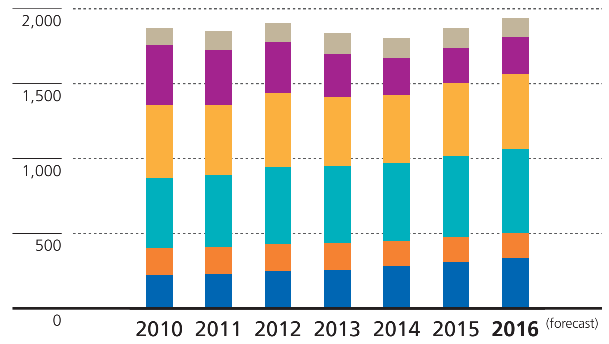
The parcel chemical transport business operated by Tokyo Marine Asia Pte Ltd. can be cited as a field expected to accumulate firm profits going forward. This business entails transporting small lots of various chemical products on ships fitted with segregated stainless steel tanks. This is a business that highly favors experience and knowhow related to the safe transport of chemical products and a proven track record in vessel management and seafarer training. Moreover, this is a very difficult field to enter as it is necessary to have a fleet of the right size to ensure effective deployment of vessels. Going forward, in this business, we will strive to stabilize and improve profitability by consolidating small lots of high value-added cargo while using contracts of affreightment (COA) as a central pillar. We also plan to expand the scale of our fleet by replacing existing vessels and securing up to 13 new vessels while enhancing cost competitiveness by using larger vessels.

The methanol tanker business, which MOL spearheaded globally in 1982, is stable with operations under long-term contracts, and we are building up our fleet. Upon delivery of those still under construction, our fleet will expand to 19 vessels. Since the shale revolution, expansions of North American methanol plants, which use inexpensive shale gas, have been planned. If those expansions are successfully achieved around 2020, we predict transport demand for methanol will expand even more greatly. We believe this business can continue to steadily contribute to profits as a pillar of highly stable profits.

The tanker division's fleet is currently one of the world's largest and we will continue our strenuous efforts to maintain and improve our competitiveness while building brand power as a tanker shipping company by investing in fields expected to provide stable growth.

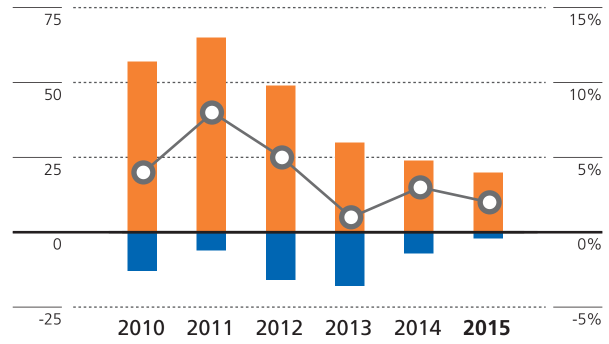
Underlined words are explained in the Glossary on page 18.

Crude Oil: Global Seaborne Trade by Import Country/Area (Million tons)



Source: Clarkson

Vessels Supply (VLCC) (Number of vessels)



Source: MOL internal calculations based on IHS-Fairplay

Sustainability Highlights

World's First Methanol-Powered Carriers on Order

MOL has ordered three methanol carriers equipped with dual-fuel low-speed diesel engines that use methanol as a propellant—a world's first—with delivery scheduled during fiscal 2016. The main diesel engine emits less CO_2 and NO_x than normal engines that use heavy fuel oil. And because methanol does not contain SO_x, its low environmental load makes this fuel a preferable alternative to heavy oil.

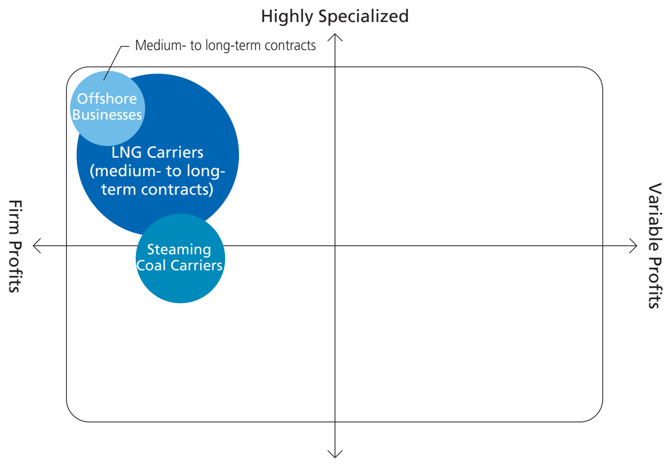
The first ship equipped with a duel-fuel diesel engine—the TARANAKI SUN—was delivered in April 2016.

Bulkships
LNG Carriers/ Offshore Businesses Steaming Coal Carriers

New Projects Starting Operation in FY2016

LNG Carriers			
Osaka Gas	ex.Australia	To Japan	1 vessel
Kansai Electric Power	ex.Australia	To Japan	1 vessel
Exxon Mobil	ex.Papua New Guinea	To China	1 vessel
SINOPEC (China)	ex.Australia	To China	2 vessels
Petronet (India)	ex.Australia	To India	1 vessel
Offshore Businesses			
Petrobras	Brazil	FPSO	1
Tullow Ghana	Ghana	FPSO	1
Ethane Carriers			
Reliance (India)	ex.USA	To India	6 vessels

Portfolio



Fiscal 2015 in Review

We recorded large increases in revenue and income in fiscal 2015 due to the delivery of four new LNG vessels and one FPSO (our third), which were all built based on secured long-term contracts, and the shedding of the previous year's temporary expenses, including scheduled dry-dockings. Although we have been recording stable earnings based on long-term contracts, the investments made over the last few years have clearly had an impact on this year's performance as well.

On the other hand, falling crude oil, gas and other energy prices put an end to the long-running global resource boom. With the slowdown in new development projects, we were unable to achieve remarkable progress in securing new long-term contracts in the LNG carriers and offshore businesses during fiscal 2015.

We expect energy prices and investments in new large-scale projects to begin recovering from the latter half of fiscal 2016 into fiscal 2017 and onwards. It may take some time before we secure contracts for new projects.

Fiscal 2016 Initiatives

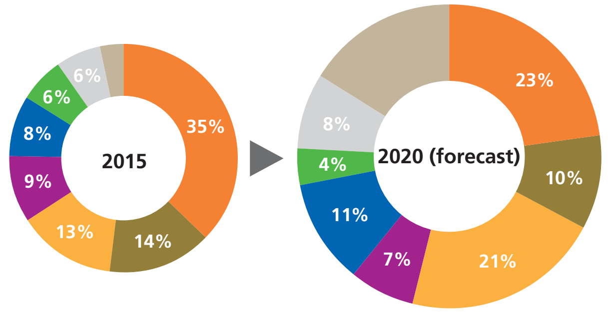
MOL has around 30 outstanding orders for LNG and ethane carriers, all being built based on long-term contracts. Revenue and income will likely continue to increase in fiscal 2016 as 14 new projects, including six for ethane carriers, are scheduled to launch. Fiscal 2016 is shaping up to be a year in which we can continue to steadily push ahead with our goal of accumulating long-term, highly stable profits. Hiring and training efforts are also advancing on course as we seek to secure enough seafarers to match the vessels scheduled for delivery. Every related division including Marine Safety and Technical is doing their best to ensure the smooth launch of all forthcoming projects.

Expanding overseas will be central to our fiscal 2016 strategy. Specifically, we are actively targeting China, India and Southeast Asian countries, where there is growth potential for energy as their populations expand, and targeting Europe, which is promoting measures to lower their dependence on Russian energy. Through these endeavors, we will extend our global customer base nurtured through far-ranging projects over many years, and continue to accelerate business expansion with renewed focus on securing and accumulating highly stable profits.

The LNG carrier division is distinguished by its long track record of safe transportation and the long-standing trust of its customers. Moreover, we know how to succeed through collaboration. Our business model includes joint ventures and vessel sharing with companies in Japan and overseas. We are widely recognized for our flexible response capabilities, adapting to the unique requirements of each country and region, as well as our management capabilities to coordinate with partners, align long-term projects and manage them successfully. We are steadily elevating MOL's LNG carrier brand.

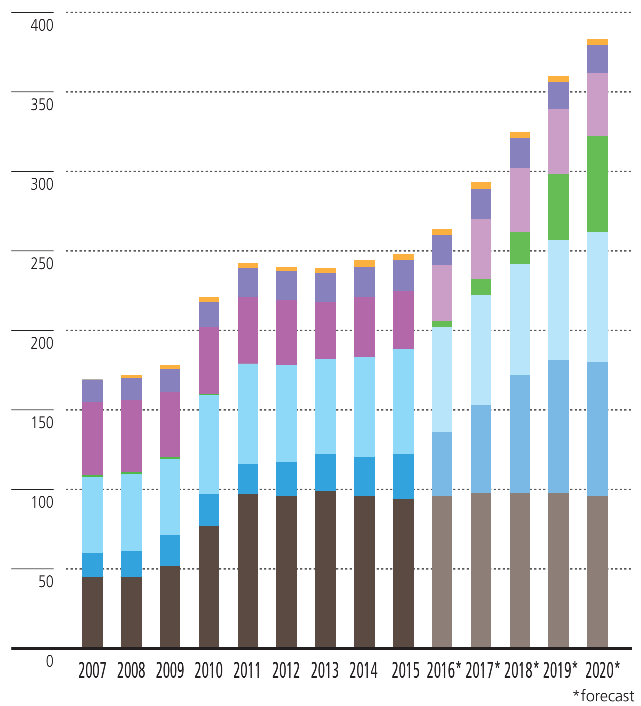
In addition, offshore businesses are a relatively new area for MOL. Since the Offshore and LNG Project Division was established in June 2014, we have built solid relationships with partner companies and are currently engaged in six FPSO projects and one FSRU project; three facilities are already in operation with the other four under construction. We will see these projects through to fruition while maintaining our tight-knit relationships with partners, leveraging all our knowhow and strength. At the same time, we aim to expand the scale of the offshore business and will continue to steadily grow these businesses over a long-term span of five to ten years.

LNG: Demand Forecast by Area



■ Japan ■ Korea ■ Europe ■ America ■ China
■ India ■ Taiwan ■ Others
Source: MOL internal calculation based on Wood Mackenzie

LNG: Seaborne Trade (Million tons)



■ Middle East ■ Australia ■ Other A/P ■ North America ■ Africa ■ South America ■ Europe
Source: MOL internal calculation based on Wood Mackenzie

Sustainability Highlights

New Seafarer Training Program for Ethane Carriers Created to Suit the Increasing Sophistication of Liquid Gas Transport

Our seafarer training program for ethane carriers was the first in the world to attain the Society of International Gas Tanker & Terminal Operators Ltd. (SIGTTO*) standard certification. MOL has for a long time carried out the LNG Carrier Standard Training Course based on SIGTTO standards. With this certification, MOL became the first shipping company in the world able to offer SIGTTO accredited standard training courses for all liquefied gas transport, including liquefied ethane gas (LEG) and LPG, at its own training centers.

Coal Carrier Division Foresees Demand in Emerging Economies, in Addition to Long-term Stable Business with Domestic Customers

The steaming coal carrier division, which is expanding its business mainly in mid- to long-term contracts with electric power companies in Japan, had been included in the dry bulker division but is now one of the divisions under the Energy Transport Business Unit following the most recent restructuring of our sales organization. This division will continue to meet diversifying customer needs along with MOL Coastal Shipping, Ltd., which operates coastal bulkers.

With the deregulation of the Japan's electric power industry in 2016, the cheapest electric power fuel—coal—is getting another look. Many new plans for coal-fired electric power plants are being unveiled in Japan. While some proposals may be difficult to implement due to newly established CO_2 emission reduction targets, we will continue to actively expand our sales activities so we do not miss any business opportunities. In addition, to address the serious lack of electric power, there are many plans for the construction of coal-fired electric power plants in emerging economies like Southeast Asian countries and India. We can expect a large increase in overseas demand for coal transport going forward.

Looking ahead, the coal carrier division will continue to foster cooperation between the tanker division and LNG carrier/offshore businesses division as we work to strengthen the MOL brand in the energy transport field.

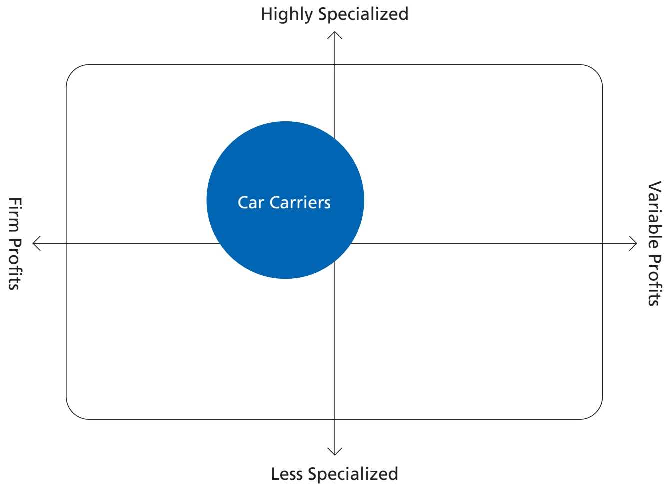
Underlined words are explained in the Glossary on page 18.

[Steaming Coal Carrier] SOMA MARU

Bulkships

Car Carriers

Portfolio



Fiscal 2015 in Review

Global auto sales exceeded 89 million units in calendar 2015, a record high. This increase was headed by China, where measures were introduced to lower taxes on small-sized vehicles, and the United States, where sales remained firm throughout the year. On the other hand, the number of vehicles transported by sea worldwide stayed level at around 15 million units. The number of vehicles exported from Japan, however, surpassed the originally projected 4 million units on increased U.S. demand for imports as Japanese automakers favored domestic production due to a weaker yen. Shipments to emerging and oil-producing nations flagged as slumping crude oil prices placed downward pressure on their economies. Ultimately, the car carrier division saw income fall from the previous fiscal year despite efforts to minimize ballast voyages and to reduce operating costs.

The Company has long been active in shipping cargo between points outside of Japan as well as shipping imports to Japan. Volumes in cross trades and imports achieved major progress. One example is a contract with a major European automaker to export vehicles from a Mediterranean port. Previously, vehicles produced in southern and central Europe were transported by rail to northern European ports and then exported to Asia. Our new service allows the automakers to use maritime transport from this Mediterranean port, which is closer to production bases, thereby lowering their inland shipping costs. We also acquired a multi-year contract to transport vehicles for a major U.S. automaker that is ramping up production in India. We achieved an impressive record for these kind of cross trades and inbound trades in fiscal 2015.

Naotoshi Omoto Managing Executive Officer

On the other hand, due mainly to unstable local rail conditions, we haven't yet been able to achieve the earnings originally projected for the Mexican vehicle export service launched in April 2014. However, global automakers prize Mexico as a production base for U.S. auto imports and major automakers will continue to ramp up operations in the country going forward, leading to stable earnings in the medium- to long-term. MOL will continue raising transport quality and steadily implementing measures to improve profits while working with customers to consider total logistic solutions, including lowering costs for rail, truck and other forms of inland transportation.

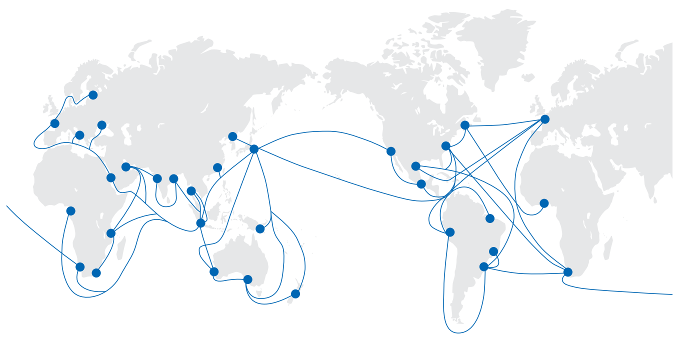
Fiscal 2016 Initiatives

In recent years, trade patterns for vehicles have been growing more complex as Japanese automakers launched overseas manufacturing bases and then expanded production to cover solid demand from neighboring regions. We have unified our car carrier fleet—one of the largest in the world—around a standard vessel size with high usability in various sea lanes and ports across the globe. This has enabled us to respond flexibly to diversifying customer needs and trade patterns. MOL is bucking the industry trend toward larger vessels following expansion of the Panama Canal and is instead pursing its own strategy. In non-marine vehicle transport, we are advancing in areas such as logistics. We have already racked up accomplishments in the vehicle terminal business in India, the United Kingdom and the Netherlands, as well as the inland transport business in Thailand, Indonesia and China. Going forward, we are considering making an entry into such regions as Mexico and Turkey where the production and import of vehicles is expected to expand.

Long-distance vehicle transport bound from Japan for North America and Europe appears to have peaked. We are entering a period of transition toward cross-trade transport. Always mindful of automakers' strategies, MOL is optimizing the car carrier fleet for more efficiency. We are striving to improve customer satisfaction by enhancing our sales capabilities across our global network.

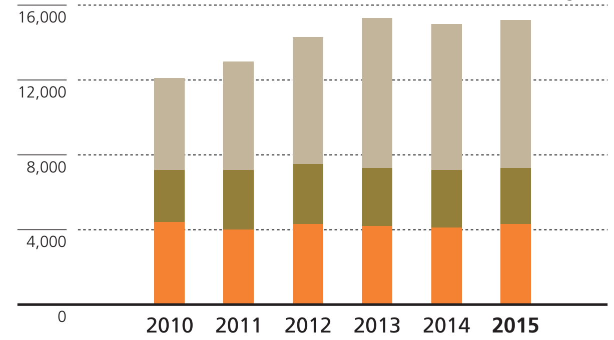
Underlined words are explained in the Glossary on page 18.

Main Routes



Global Car Seaborne Trade

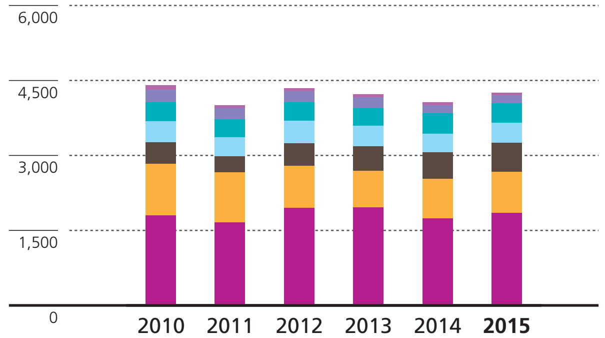
(Thousand units) (excluding CKD)



■ Exports from Japan ■ Exports from Korea ■ Others
Source: MOL internal calculation based on Trade Statistics of Japan (MOF), etc.

Car Export from Japan by Destination

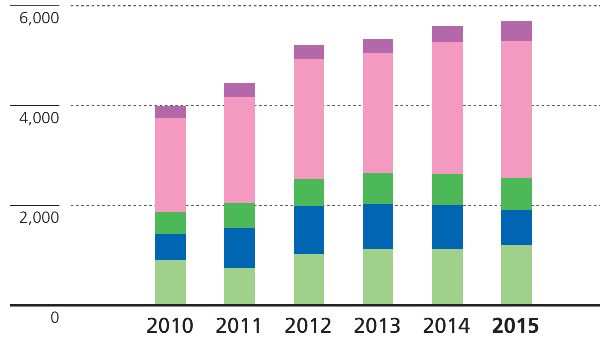
(Thousand units) (excluding CKD)



■ North America ■ Europe ■ Middle East ■ Oceania ■ Asia ■ Latin America ■ Africa
Source: MOL internal calculation based on Trade Statistics of Japan (MOF)

Car Export from Emerging Countries

(Thousand units)



■ ex. Thailand ■ ex. China ■ ex. India ■ ex. Mexico ■ ex. South Africa
Source: MOL internal estimation based on FOURIN data, etc.

Sustainability Highlights

Bow Design for Next-Gen Car Carrier FLEXIE Expected to Lower CO_2 Emissions About 2%

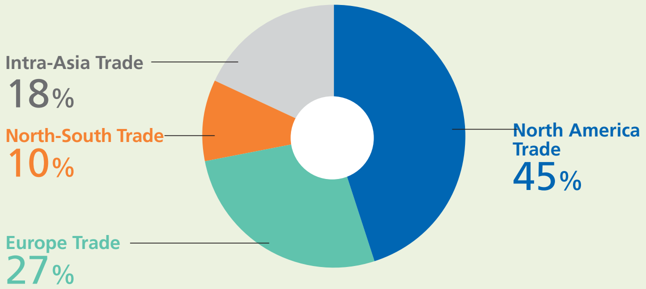
The next-generation car carrier FLEXIE is scheduled to be delivered in 2017. Wind resistance is reduced by making the bow round, cutting CO_2 emissions about 2% compared with current car carriers. The new bow shape is the result of joint research among MOL, MOL Techno-Trade, Ltd. and Akishima Laboratories (Mitsui Zosen) Inc.

Next-gen car carrier FLEXIE

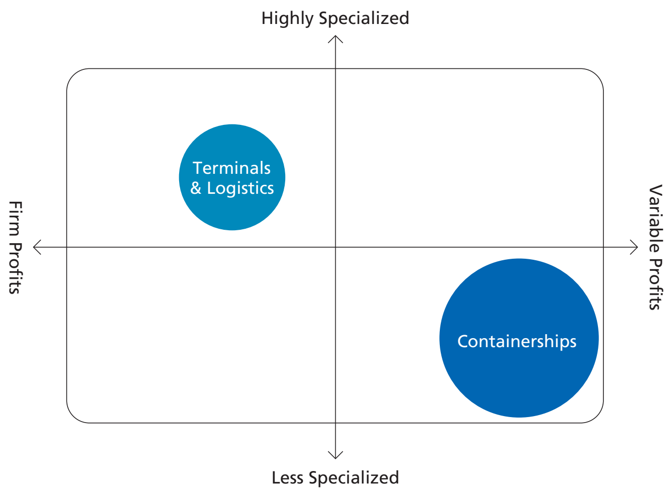
[Car Carrier] EUPHONY ACE

Containerships

Revenue Breakdown by Trade (FY2015)



Portfolio



Fiscal 2015 in Review

The containership business posted a loss of ¥29.8 billion in fiscal 2015 as the market stagnated at unprecedented lows for Asia-Europe trade and Asia-South America East Coast trade, causing the loss to expand year over year. On the Asia-Europe route, the gap between supply and demand widened with shipping companies delivering new Ultra Large Container Ships (ULCSs) in brisk succession even as cargo shipments bound for Europe declined. On the Asia-South America East Coast route, there was a steep drop in cargo bound for Brazil due to a rapid downturn in the economy sparked by falling natural resource prices.

On the Asia-South America East Coast route in particular, MOL has comparatively large capacity and was severely impacted by the decline in trade. To meet the challenge posed by this decline, we began joint operations with Maersk and MSC from July 2015 and pursued such rationalization efforts as reducing the number of ports of call and replacing vessels to improve operating efficiency.

Containerships

Liner Division
Akihiko Ono Managing Executive Officer

Nevertheless, these efforts were unable to make up for the worsening market conditions.

We implemented Business Structural Reforms in the fourth quarter fiscal 2015, recording ¥61.9 billion in related expenses as an extraordinary loss. These expenses mainly comprise of an impairment loss on relatively costly mid-size containerships. To improve profitability on the Asia-South America East Coast route, we carried out even greater rationalization of our service in February 2016, halving capacity, and are disposing of surplus vessels. As a result of the reforms, we expect to essentially eliminate the structural disadvantage MOL had relative to other companies.

Fiscal 2016 Initiatives

In addition to improving our profitability through the previously mentioned Business Structural Reforms, we are working to improve the quality of business and enhance yield management in fiscal 2016. As a result of prioritizing cost cuts and the deep integration of sales functions over the last few years, our approach became overly standardized, making it difficult for MOL to differentiate our brand from our competitors. We are now in the process of reinforcing our worldwide sales and customer service organization in order to improve our capability to provide the high level of service our customers require.

Since the beginning of 2016, the entire Liner division has adopted shared targets and focused efforts on the initiatives outlined under the vision of "C.A.R.E.": Care for our customers, Assure quality, Reinforce sales and Enhance customer service. Additionally, in regards to yield management, which aims to maximize round trip profitability, we will strengthen our forecasting accuracy in order to more precisely predict and communicate container flows in a manner which will allow us to reduce equipment repositioning expense. The newly established Shipment Management Center (SMC), located in the United States, serves as a good example of our progress towards improving customer service and enhancing yield management. The SMC functions as a high-level customer response unit offering the capability to quickly generate revenue paying cargo for surplus equipment.

Furthermore, we began development of a new enterprise system last year. Regarding the functions that contribute to improved customer service and enhanced yield management, development is progressing ahead of schedule. First, we are uniting our global customer information on a single system and creating a customer relations management (CRM) system for use across the entire organization. We are working to enhance customer service by improving system functions that automatically notify customers of their cargo status, as well as enhancements for searching bookings and contracts. In addition, from the perspective of improving yield management, we are using the latest tools to promote the analysis and sharing of data in order to improve turnover of our overall container fleet.

Terminals & Logistics

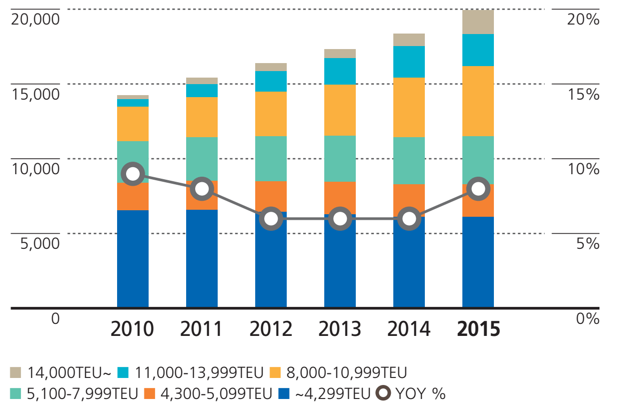
Port Projects & Logistics Business Division
Toshiya Konishi Managing Executive Officer

The Port Projects & Logistics Business Division, which is expected to grow and secure relatively firm profits, separated from the Liner Division at the end of April 2015 to enable expanded business activities. In the terminal (port projects) business, we are continuing to raise operating efficiency at major ports by actively introducing the latest technology. These efforts include expanding automated operation at our terminal at the Port of Los Angeles and jointly funding a leading-edge fully-automated terminal at Rotterdam Port, which opened in September 2015. In addition, we began work on expanding the terminal we operate at the Port of Kobe in July 2016 and will continue to actively promote new terminal businesses in Vietnam, Thailand and other Southeast Asian countries.

In the logistics business, MOL Logistics established a local subsidiary in Myanmar in May 2016. The company is also enhancing its services and actively working to expand its locations in growth regions, primarily in other Southeast Asian countries. In heavy cargo transport, we are expanding our business by providing optimal transport and one-stop services encompassing containerships, multipurpose cargo ships and RoRo ships under the unified brand "MOL Project & Heavy Cargo," which launched in March 2015.

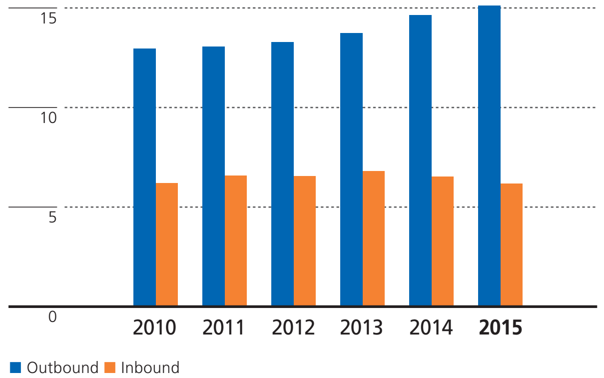
TraPac Container Terminal in Los Angeles

Global Containership Capacity by TEU Size Range
(Thousand TEU)



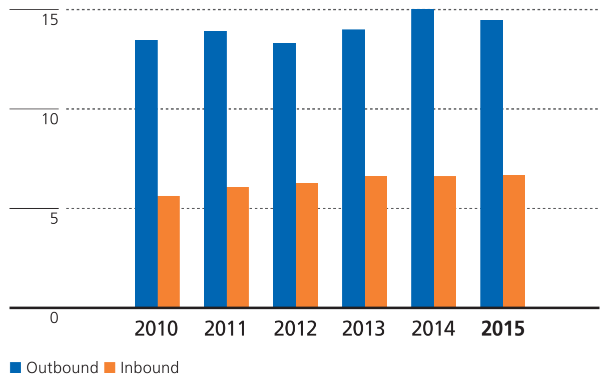
Source: MOL internal calculations based on Alphaliner / IHS-Fairplay

Asia-North America Container Trade Cargo Movements (Million TEU)
(Excluding Canada cargo)



Source: Piers/JoC etc

Asia-Europe Container Trade Cargo Movements (Million TEU)
(Including Mediterranean cargo)



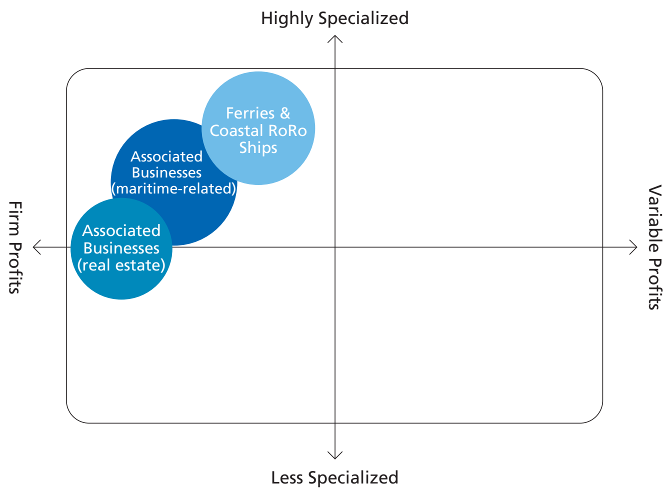
Source: Drewry

Underlined words are explained in the Glossary on page 18.

Ferries & Coastal RoRo Ships

Toshiyuki Sonobe Managing Executive Officer

Portfolio



Fiscal 2015 in Review

For the half year beginning August 2015, our ferry services on the Eastern Japan route connecting a port northeast of Tokyo with Hokkaido were forced into irregular operations with one fewer vessel due to the fire that occurred on the SUNFLOWER DAISETSU. This lowered capacity, reducing the number of automobiles and trucks transported as well as the number of passengers. Although lower fuel prices contributed to lower costs, revenue fell from the previous year, and ordinary income held steady at ¥4.4 billion.

A shortage of truck drivers, a graying population and enforcement of legitimate labor management in the trucking sector have all helped accelerate a modal shift in long distance transport from inland transport to ferries. As the Japanese economy recovers, cargo volumes are expected to continue to rise.

Amid this environment, we decided in fiscal 2015 to replace the existing two ferries which operate the Western Japan route with new, upgraded vessels in fiscal 2018. This is not our only effort to capture demand for ferry transportation and actively expand business. Two new vessels, ordered in the previous fiscal year, are expected to launch in fiscal 2017.

Sustainability Highlights

Ferry Sunflower Offers Pleasant Voyages while Reducing Environmental Load

To offer more comfortable and relaxing voyages, our new vessels scheduled for delivery in 2018 will each have 94 rooms, 20% more than our current vessels, and each room will have a toilet, shower, refrigerator and sink. The vessels will also provide 150% more public space, including a spacious, open entry way on the third floor that lets the breeze through. To play a greater role in the eco-friendly modal shift in Japan, the new ferries will have 16% more space for loading trucks. We are also working to lower their environmental load by adopting a new propulsion system.

[Ferry] SUNFLOWER SATSUMA

Fiscal 2016 Initiatives

Profit for the division is projected to rise year on year in fiscal 2016. After enhancing onboard firefighting equipment, the SUNFLOWER DAISETSU returned to service in February 2016, returning the Eastern Japan service to normal four-vessel operations. To prevent another fire from occurring, we cooperated with the relevant committees to further strengthen the safe operating structure. This entailed conducting a comprehensive review of safety measures, including seafarer drill plans, and conducting a follow-up review.

In addition, we are creating more attractive services for passenger transportation. We are working to enhance facilities, including renovating several guest cabins and greatly expanding the number of individual rooms. We are also strengthening packages and promotions to uncover new demand and raise brand awareness through advertising efforts.

The strength of MOL's ferries and Coastal RoRo ships business lies in offering Japan's most extensive maritime network. We connect each area of the country, from Tomakomai, Hokkaido in the north to Shibushi, Kagoshima in the south. Transporting over a million passengers annually, we serve as an artery for domestic distribution and support Japan's economy. We are working to expand services to meet customer needs while reinforcing safe operations and transportation quality. We will continue to strive to reinforce MOL's brand as the leader of an eco-friendly modal shift in domestic logistics.

Associated Businesses

Toshiyuki Sonobe Managing Executive Officer

Fiscal 2015 in Review

This segment comprises MOL's real estate, tugboat, cruise ship, trading and other businesses. Real estate, especially Daibiru Corporation, is a main pillar supporting MOL's highly stable profits.

Daibiru sustained steady revenues as the office leasing market continued to improve, especially in Tokyo, its main market. However, revenue and income fell for associated businesses overall in fiscal 2015 due mainly to depreciation expenses incurred from the Shin-Daibiru Building, which was completed in Osaka in March 2015. Revenues decreased to ¥96.6 billion, and ordinary income slid to ¥10.1 billion.

The cruise ship business improved its profitability thanks to higher numbers of passengers amid rising interest in cruises and an active domestic market stimulated by increased calls to Japanese ports by foreign luxury cruise ships. In the trading business, sales fell for Propeller Boss Cap Fins (PBCFs), a device to improve energy-efficiency, as investments in energy-saving technology were scaled back due to lower crude prices. Meanwhile, the tugboat business continued to sustain solid figures.

Fiscal 2016 Initiatives

In fiscal 2016, ordinary income is expected to improve markedly to ¥12.0 billion primarily because there will be no more initial expenses associated with the completion of the Shin-Daibiru Building in Osaka. The occupancy rate is already at 95%, and we anticipate steady contributions to earnings from fiscal 2016 onwards.

Daibiru embarked on a new medium-term management plan entitled "Design 100" Project in April 2013. This five-year plan, which continues through the end of fiscal 2017, aims to expand profits by approximately 20% compared to fiscal 2012 through investments totaling ¥100.0 billion. In the three years since the plan launched, we've invested ¥50.0 billion, including overseas projects, and plan to allot 20–30% of total investment to overseas projects going forward. We aim to increase the share of overseas sales to 5–10% overall.

Vietnam is an excellent example of Daibiru's overseas projects. MOL established a liner route with Vietnam in 1915 so we have had deep, long-lasting relations with this country, and more recently we became the only Japanese shipping company authorized by the government to set up an independent Vietnamese sales agency, wholly owned by MOL. Leveraging MOL's network and local brand power, Daibiru successfully entered the Vietnamese market with its first overseas project in 2012. We are currently considering further expanding business in Vietnam and elsewhere in our strategic focus area of Southeast Asia.

Shin-Daibiru Building

Sustainability Highlights

The Shin-Daibiru Building Received an AAA Rating from the Japan Habitat Evaluation and Certification Program (JHEP)

The Shin-Daibiru Building, which was completed in March 2015, received an AAA rating from the Japan Habitat Evaluation and Certification Program (JHEP). This program, which is run by the Ecosystem Conservation Society—Japan, quantifiably evaluates and certifies initiatives that contribute to the preservation and recovery of biodiversity. The Shin-Daibiru Building uses local grasses and trees for about half of the landscaping on its premises. Zelkova, Camellia, Maple and other trees over 50 years old that were grown in the long adored roof arboretum of the former Shin-Daibiru Building were transplanted to a green space of over 3,000 square meters, which now provides a relaxing sanctuary amidst the many office buildings.

In the cruise ship business, we will continue working to increase the number of passengers by differentiating our business through meticulous, high-class service with the aim of increasing recognition of the MOL brand and improving our profitability. In the tugboat business, we will continue to consider entering fields related to offshore businesses, such as specialty tugboats that assist in building wind power facilities. In addition, the trading business will continue pursuing research to further enhance the performance of PBCFs.

Underlined words are explained in the Glossary on page 18.