Message from the CFO

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Senior Managing Executive Officer

Assessment of the Fiscal 2015 Financial Results

Fiscal 2015 brought a welcome tailwind with the continued fall in bunker prices and the persistently weak yen, in addition to significant earnings contributions from the strong tanker market. Yet, especially in the latter half of the year, we faced fierce headwinds with rates stagnating at historic lows in the dry bulker and container freight markets. As a result, consolidated ordinary income fell 29% year on year to ¥36.2 billion.

In bulkships, although the spot market for dry bulkers remained weak due to a slump in Brazilian iron ore exports and decreased coal imports into China, the spot market for tankers remained firm due in part to falling crude oil prices and the subsequent increase in actual demand for petroleum, as well as demand for strategic reserves in China. In addition, MOL benefitted from the highly stable profits of dry bulkers, tankers and LNG carriers on medium- to long-term contracts that are resilient to market fluctuations. As a result, this segment secured ¥54.8 billion in ordinary income, roughly the same as in the previous fiscal year.

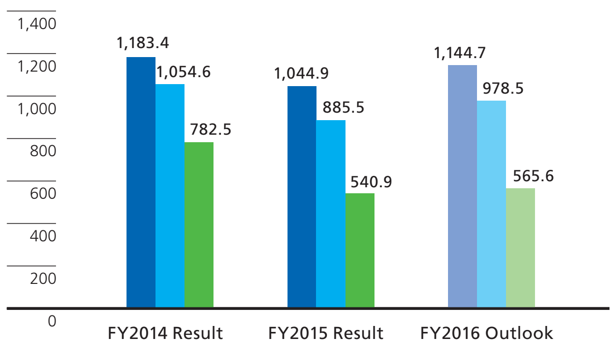
Containerships recorded an ordinary loss of ¥29.8 billion, widening the loss from the previous fiscal year. Despite the far-reaching rationalization of unprofitable routes undertaken throughout the year, in addition to falling bunker prices that helped improve profitability, the stagnant freight rates plagued almost every route, worsening profitability more than we assumed.

Financial Foundation Following the Business Structural Reforms

At the end of fiscal 2015, interest-bearing debt declined ¥138.4 billion from ¥1,183.4 billion at the end of the previous fiscal year to ¥1,044.9 billion. Following the Business Structural Reforms, the other financial indicators worsened, including a decline in the equity ratio to 24% and an increase in the net gearing ratio to 164%.

From fiscal 2016 onwards, we will continue working to recover and enhance shareholders' equity through the accumulation of profits. On the other hand, we will continue investing in businesses that will generate future long-term, highly stable profits, especially LNG carriers and offshore businesses. Those areas where we have made aggressive investments in the past few years will reap the reward from fiscal 2017 and begin to expand earnings. We believe these two businesses will contribute to improved financial soundness.

Shareholders' Equity (¥ billions)



■ Interest-bearing Debt ■ Net Interest-bearing Debt*1 ■ Shareholders' Equity
*1 Interest-bearing debt – cash & cash equivalents

Status of Cash Flows

In fiscal 2015, we recorded ¥179.3 billion in expenses related to Business Structural Reforms, mainly for impairment loss, fees for canceling chartered vessel contracts, and loss on sales of vessels. The impairment loss did not affect cash flows. In addition, the actual payment of fees for canceling chartered vessels are being made in the next fiscal year. As a result, free cash flows for the year increased significantly also helped by recovering funds through the utilization of off-balance sheet structures and project finance for already invested projects.

On the other hand, in fiscal 2016, we expect negative free cash flows. Cash flows from operating activities will decline sharply due in part to making payments to cancel chartered vessel contracts. In addition, cash flows from investing activities will increase, especially in LNG carriers and offshore businesses. Business Structural Reforms will affect cash flows over the course of fiscal 2015 and 2016, but looking at the total of the two years, we expect free cash flows to remain positive.

Impact of Exchange Rates and Bunker Prices on Financial Results

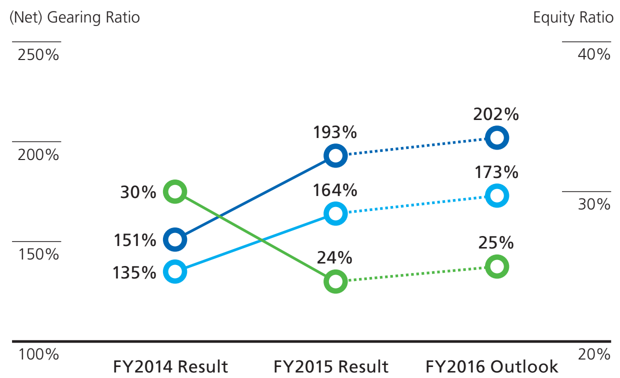
As for exchange rates, our financial results are primarily impacted by the Japanese yen-U.S. dollar exchange rate. This is because freight revenues are primarily denominated in U.S. dollars while a certain portion of costs are in yen. In fiscal 2016, we project that each ¥1-per-dollar change against the assumed ¥108-to-U.S. dollar yearly average exchange rate will have an impact of approximately ¥1.0 billion in ordinary profit. (If the yen weakens, it will improve profitability.)

Turning to bunker prices, the yearly average price was assumed to be US$230 per metric ton, and we calculated at the beginning of the fiscal year that every dollar deviation would have an impact of ¥170 million. (If the price falls, it will improve profitability.) We will continue to strategically utilize hedging in order to control the effect of fluctuating bunker prices going forward. With the progress made in placing hedges, the degree of impact from fluctuating bunker prices will become smaller.

Outlook for Operating Results in Fiscal 2016

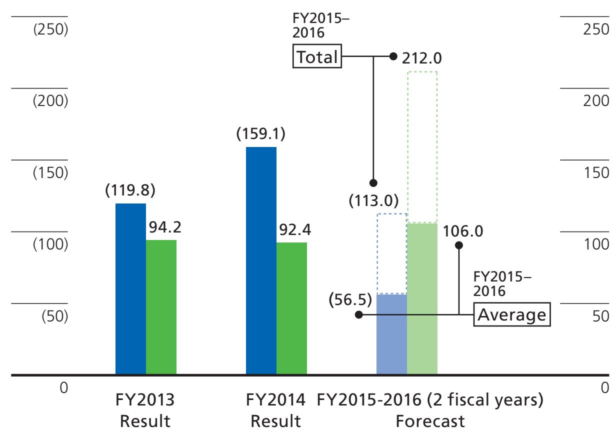
We are expecting consolidated ordinary income to decrease 45% year on year to ¥20.0 billion and profit attributable to owners of parent to amount to ¥20.0 billion in comparison to a loss of ¥170.4 billion in the previous fiscal year, on the

Gearing Ratio / Equity Ratio



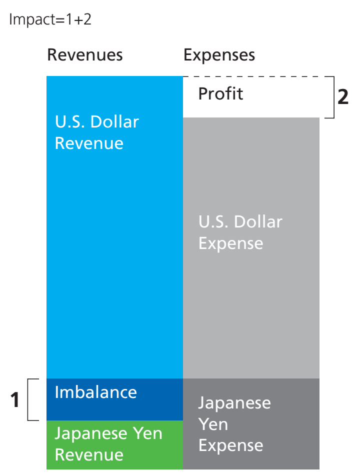
○ Gearing Ratio*2 ○ Net Gearing Ratio*3 ○ Equity Ratio
*2 Interest - bearing debt / Shareholder's equity
*3 (Interest – bearing debt –cash & cash equivalents) /Shareholders' equity

Cash Flows (¥ billions)

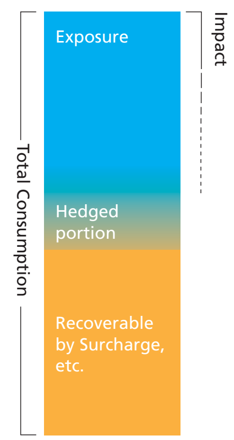


■ CFs from Investing Activities (left axis) ■ CFs from Operating Activities (right axis)

Impact of Exchange Rate Fluctuations (Model)



Impact of Bunker Prices Fluctuations (Model)



Underlined words are explained in the Glossary on page 18.

assumption that the exchange rate will be ¥108 to the U.S. dollar and bunker prices will be US$230, as mentioned previously.

In bulkships, dry bulkers are expected to return to profitability as the positive effects steadily appear following the Business Structural Reforms. To an extent, however, we expect these positive effects to be cancelled out due in part to worsening spot market conditions, a strong yen and the conclusion of a few highly profitable long-term contracts. In addition, taking into consideration the softening tanker market and reduced car exports to resource exporting countries, we forecast profit will decline ¥19.8 billion year on year in bulkships overall.

In containerships, we expect several factors to improve profitability, including the positive impacts of the Business Structural Reforms, the rationalization of unprofitable routes conducted in the previous fiscal year, and falling bunker prices. However, this will likely be cancelled out by a steep decline in freight rates, especially on the Asia-North America route, and we forecast that overall segment loss will widen ¥2.1 billion year on year in containerships. However, as we expect ferries, real estate, and other divisions to improve their performance, we forecast ordinary income of ¥20.0 billion for the Company overall, a worsening of ¥16.2 billion year on year.

Consolidated Ordinary Income (Loss) by Segment

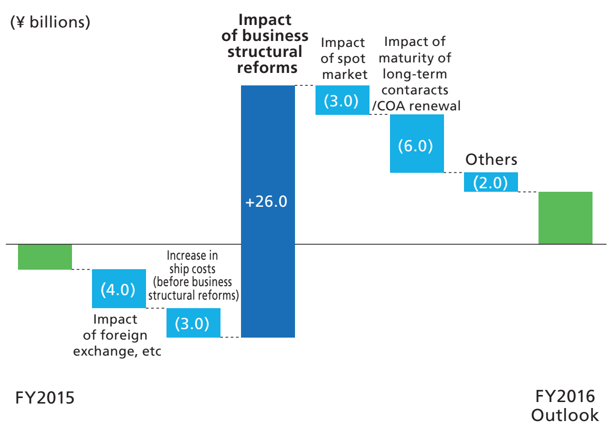
(Billions of yen)

	FY2015 Result	FY2016 Outlook*
Bulkships	**54.8**	35.0
Containerships	**(29.8)**	(32.0)
Ferry/Coastal RoRo Ships	**4.4**	5.5
Associated business	**10.1**	12.0
Other	**3.5**	1.5
Corporate/Eliminate	**(6.9)**	(2.0)
Total	**36.2**	20.0
Exchange rate	¥120.62/$	¥108.00/$
Bunker price	$265/MT	$230/MT

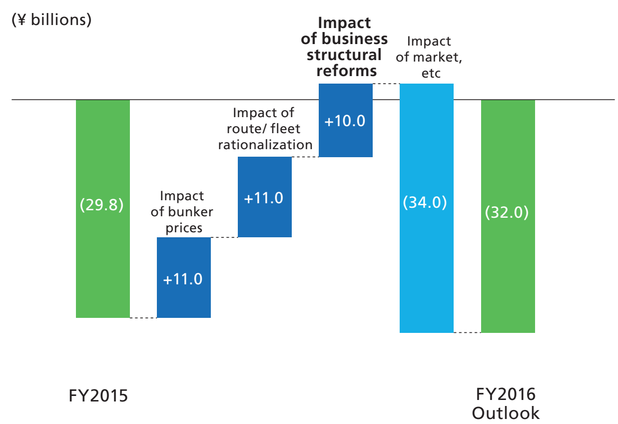
*As of April 28, 2016

FY2015 → FY2016 Variable Factors (Outlook)

Dry bulkers



Containerships



Status of Credit Ratings

MOL's credit ratings are currently under downward pressure due mainly to the financial burden of the Business Structural Reforms and the protracted severe business environment. We are exchanging information more closely with the credit rating agencies. With the aim of recovering our credit ratings going forward, I think we need to firmly achieve the profit targets. We need to carefully explain our timeline and course to implement our growth strategies, and we need to be sure to provide updates on the accompanying improvement in our financial standing.

MOL currently is promoting investment focused on LNG carriers and offshore businesses, which are based on sound long-term transport contracts with highly credible customers. These investments have received a certain level of positive feedback from credit agencies as a possible source of future growth that will contribute to the accumulation of long-term, highly stable profits. In regard to the financial burden associated with the lag time before new projects begin contributing to earnings, we will continue to work on measures to firmly reduce the financial burden while maintaining necessary investment. We will work to moderate cash flow used in investing activities and control interest-bearing debt mainly by utilizing off-balance sheet structures. Moreover, we have many options for fund procurement, a wealth of knowhow and strong relationships with financial institutions. We will choose the best method to procure funds, such as utilizing project finance.

Underlined words are explained in the Glossary on page 18.