1. Supplemental explanation of FY2013 financial results

[Overall view]

In fiscal year 2013, ended March 31, 2014, we set forth the Single-year Management Plan RISE2013 and worked toward the achievement of its goals. Turning the containership business to profitability remained as an issue to be solved, but as a whole, we can say we successfully achieved the main theme, “Achieve profitability in FY2013 to make it the first year of MOL’s new growth stage.”

[By segment: Bulkships]

<Dry bulkers>

While continually securing stable profits with long-term contracts, we transferred most of our free vessels to subsidiaries in Singapore as part of our Business Structural Reforms to drive down the cost to the market level at that time. A year and a few months after the transfer, we have established our business foundation in Singapore and our efforts have been rewarded with profitable cargoes and more efficient vessel allocation.

We can say that the dry bulker segment for FY2013 achieved a V-shaped recovery to profitability, with a significant improvement in profits, and re-established the structure that will steadily contribute to profitable group-wide business performance in the future.

<Tankers>

Crude oil tankers: the average world scale (WS) throughout the year was 44, which was converted to a US$23,000/day charter. This was below the break-even point, which is generally considered to be around US$30,000/day. However, unlike from the previous term, market rates maintained a level above the break-even point during the high-demand winter period starting in November (this is one of the factors behind the upturn in the Bulkships segment from the previously announced outlook), and we improved the efficiency of vessel allocation by pool operation while reducing our market exposure. Thanks to those circumstances and efforts, the profits of this sector showed a year-on-year improvement.

Product tankers: The market level remained around the break-even point, but dropped in June, after which upward mobility was limited. Under those circumstances, we achieved earnings higher than the market level due to our efforts in vessel allocation, but saw only a limited effect on deficits.

Chemical tankers/LPG carriers: Profits improved thanks to enhanced business and vessel operations in Singapore and favorable markets, and this sector returned to black ink.

On the other hand, our company took various measures to secure stable profits, such as renewing the long-term contracts for methanol carriers during FY2013, and our Singapore subsidiary posted impairment on AFRAMAX and other tankers as well as selling a high-cost vessel during the fourth quarter.

As a result, we regret to say the tanker segment remained in the red for the fifth consecutive term, but a return to profitability is now within reach during FY2014.

<LNG Carriers>

This is the core segment in the midterm management plan STEER FOR 2020, which we recently announced. We secured profits at the same level as the previous year, while continuing our efforts to win new

long-term contracts in FY2013.

<Car Carriers>

Thanks to our efforts to boost operating efficiency and increase cross-trade and inbound cargoes while outbound cargoes from Japan stagnated, this segment saw improved profits.

[By segment: Containerships]

We pushed forward with efforts to reduce containership operating costs by more than ¥20 billion, and benefited from the depreciation of the yen and lower bunker prices. However, those effects were almost offset by the decline in freight rates. And with other negative impacts including the incident involving the containership *MOL Comfort* in June, this segment showed larger deficits compared to the previous year.

We previously assumed that the average freight index of our all routes—which showed a continual downturn from 92 for FY2012 second quarter (2Q) to 79 for FY2013 3Q —would improve to 83 for fourth quarter (4Q). But the actual figure was 80. As a result, deficits in this segment increased by ¥2 billion compared to the previously announced full-year forecast.

Nonetheless, the freight index of 80 reflected a tentative upturn. In particular, trades for Europe and the U.S. have remained strong since mid-March. We have succeeded in our efforts to increase freight rates since the beginning of this fiscal year. It is difficult to forecast, but in our view, the containership freight rate shows signs of bottoming out.

[By segment: non-shipping segments]

In the Ferry and Domestic Transport segment, both cargo and passenger transport volume in the Ferry business increased from the previous year, thanks to the effects of Abenomics economic policies, and we have made efforts to increase the efficiency of ship allocation. As a result, this segment posted a ¥0.9 billion increase in profits.

In the Associated Businesses segment, mainly the real estate business sustained stable profits.

[Cost reductions]

During the past fiscal year, we achieved total cost reductions of ¥34 billion, surpassing our initial full-year target of ¥31.5 billion due to more-than-planned fuel cost savings and others. It is important to note once again that we were able to secure ordinary income of ¥54.9 billion only after we made these cost reduction efforts.

[Cash flows, other]

Cash flow from operating activities for FY2013 was ¥94.2 billion, and investment activities accounted for ¥119.8 billion. Our company has accumulated liquidity for short-term operations of more than ¥100 billion. So in our judgment, we could safely absorb the negative free cash flows.

Finally, we would like to add our explanation about the issuance of US$500,000,000 Zero Coupon Convertible Bonds in the European market this April. First, these bonds are designed to minimize potential

risks against dilution as much as possible by adding clauses for contingent conversion and net share settlement. In addition, the proceeds from the bonds will be allocated not to the entire amount but rather to part of capital spending, mainly for LNG carriers and offshore business, which are key elements of the midterm management plan. They were issued as zero coupon bonds despite being U.S. dollar-denominated and long term liability to provide the necessary equity until LNG carriers are delivered and offshore facilities are completed. The investments in LNG carriers and offshore business appear to be very large amounts. But these projects are based on long-term contracts, so we can receive sufficient financing from banks and other financial institutions through the cash we generate in those businesses. Thus, we decided to issue these bonds in consideration of the benefits to stakeholders by raising periodic profits through higher returns on our equity.

2. Supplemental explanation of FY2014 Full-year Forecast

[Overall view]

In the midterm management plan announced on March 31, 2014, we set ordinary income plans and targets of ¥100 billion for FY2016 and ¥140 billion for FY2019.

In the FY2014 forecasts we announce this time, ordinary income is ¥70 billion, an increase of ¥15 billion from the previous year. By segment, we project a decrease of ¥2.1 billion for Bulkships and an increase of ¥16.5 billion for Containerships t.

We cannot necessarily promise an optimistic outlook for the business climate, but we will push forward to achieve those income targets with sense of tension, while proactively engaging in LNG carrier and offshore businesses, which will generate profits to solidify our management foundation in the future.

[By segment: Bulkships]

<Dry bulkers>

The dry bulker market is currently weak, with low spot cargo volume for large-scale Capesize vessels during April due to a slowdown in Brazil's railway and terminal facilities and equipment in late March. As a result, the fleet was not well positioned, which pushed the market downward. But we expect Brazil's outbound will recover from late May and Colombia's coal trade will increase, so we anticipate an upturn in the market. We assume an average rate of US$20,000/day in the first half of the fiscal year. In the second half of the year, the market will continue to grow in October-December as the shipment capacity of iron ore suppliers expands, and in January-March, the market will enter an adjustment period due to seasonal factors. But we assume US$25,000/day for the average of the second half. The average for the full year is US$22,500, which will be boost profits, because the average for the previous year was US$17,100.

Most mid- and small-size vessels (Panamax and smaller) are operated by our subsidiary in Singapore, MOL Bulk Carriers. Its performance from January to December in 2014 will be reflected in our FY2014 consolidated financial results. The market during the January-March period, for which the business results were already in, remained at a relatively strong level, so we anticipate an improvement over the full year.

<Tankers>

Very large crude carriers (VLCCs): Trade of crude oil produced in West Africa and South America bound for China and India has continued to increase, and ton-miles are increasing. The supply of newbuilding vessels is on the decrease with 25 vessels in 2014 and 20 in 2015. In light of moving up the retirement of overage vessels in response to stricter ballast water regulations, we can expect the market to recover in FY2014. Looking at the world scale (WS), we anticipate an improvement of three points from WS47 (FY2014 standard) in FY2013 to WS50 in FY2014.

Product tankers: We can expect an increase in trade. On the other hand, the key for demand and supply is how many vessels will actually be delivered among those on order. While we forecast that the market will turn up slightly from the previous year, we will scale down our market exposure.

LPG carriers: The market is currently appreciating strongly, hovering at a level of more than US$100,000 in charter rate/day equivalent. We expect the market will hold steady throughout the year backed by strong export trade from the U.S. We assume a full-year average of around US$42,000/day.

Chemical tankers: Renewal of freight rates for contracts of affreightment (COAs) has gone smoothly in 2014, so this business is showing a solid trend of profitability.

Overall, although the tanker sector remained slightly in the red, we think it will return to profitability in FY2014 also in light of the fact that the subsidiary in Singapore posted impairment in fourth quarter of FY2013.

<LNG Carriers>

We expect a one-time decrease in profits this year compared to the previous year, due to factors such as the selloff of depreciated LNG carriers during this fiscal year, more-than-usual vessels in drydock, and the costs of training crewmembers for newbuilding vessels that will be delivered in or after FY2016 and contribute to long-term stable profits.

<Car Carriers>

Cross trade will increase while seaborne trade outbound from Japan will decrease. But costs will rise due to the launch of new services from Mexico to North America and in South America. As a result, we forecast an appreciable decrease in profits compared to the previous year.

[By segment: Containerships]

The last vessel in a series of five 14,000 TEU containerships was launched on the Europe route in April 2014. After that, a series of 10,000 TEU containerships will be launched from July of this year to 2016 to serve Europe and the North America West Coast. These moves will increase the cost competitiveness of our containership business.

The current cargo trade remains strong, nearly at full capacity on east-west routes. Freight rate agreements were renewed smoothly in April and May and rates are recovering. But our overall assumption for freight rates throughout the year is that they will be unchanged or slightly lower compared to the previous term. In FY2014, we will improve profits by reducing unit costs with the launch of large-size vessels and enhancing the G6 Alliance. If the market remains almost unchanged, our FY2014 numerical target to improve profits is

within reach.

On the south-north route, which has contributed to a larger deterioration in profits for MOL compared to other Japanese shipping companies, we will try to raise profitability by rationalizing routes serving West Africa, the South America East Coast, and other areas.

[Dividends, other]

Looking at dividends, we are planning an interim payment of ¥3, and ¥3 at year end, for a total of ¥6 for the full year assuming we reach our profit goals.

This does not reach the 20% dividend payout ratio we set as a guideline in our dividend policy. ¥30 billion out of ordinary income we project in this fiscal year is, so to speak, profit increased by using shareholders' equity in the Business Structural Reforms we executed in FY2012. This is independent of any increase in cash flow. Thus, we calculated the amount of dividend payments in consideration of this matter. We will restore shareholders' equity, which deteriorated due to the Business Structural Reforms, as quickly as possible and raise our credit ratings. We appreciate your understanding.

We have sought to minimize potential risks against dilution by adding such clauses as for net share settlement for the convertible bonds we recently issued. We remain extremely cautious about equity finance including convertible bonds in view of its possible negative impact on our shareholders.

3. Questions and Answers

[Bulkships]

Q1) Please tell us the proportion of free vessels among dry bulkers in FY2014.

A1) The total dry bulker market exposure is shown in Slide 14, fleet composition. We are moving to downsize the fleet toward the end of March 2015.

At the moment, over 20% of our Capsize vessels and over 60% of Panamax and other mid- and small-size vessels are free bulkers. Woodchip carriers and steaming coal carriers are mostly on long-term contracts. During FY2014, we will step up our efforts to return high-priced vessels and chartered ships whose contracts have expired, to reduce this percentage. At the same time, we are making the transition to a structure that contributes to stable profits by concluding cargo transport contracts.

Q2) How many years will you continue to have expenses for the training of LNG carrier crews?

A2) We think it will continue until at least FY2016, when a number of newbuilding vessels will join our fleet.

Q3) Looking at the cost involved in launching new car carrier services, how many years will it take to recover those expenditures? You are expecting a decrease in profits in FY2014, but do you have measures under way that will take the company back to the level of the previous fiscal period?

A3) The new car carrier services include expanding transport of completed cars from Mexico, where many Japanese and other automakers have set up operations, to North America, as well as allocating vessels

to the South American Common Market or Mercosur. I meant by launching costs that, when a new service is inaugurated, at first it is difficult to collect sufficient cargo and it will cause deteriorating profits. Profits in the car carrier segment increased in FY2013 from FY2012. And in FY2014 and beyond, we intend to maintain at least the profit levels shown in FY2012, and will work to improve profitability with more efficient ship operations and rationalization measures that should reduce costs.

[Containerships]

Q4) Can you explain your reasoning regarding increased profitability in the Containerships segment in FY2014? In particular, is there no risk of falling freight rates, including those currently under negotiation?

A4) As we explained, current increases in freight rates are distinct from the assumption of the profit plans. Our profit plan for FY2014 does not include an increase in profits from the recovery of freight rates, and we assumed rates would be lower than in FY2013 (assuming the overall average freight rate index, as shown in Slide 13, will go down by one or two points). The reduction in income from the lower rates will be offset by cost reductions, and improved profitability as the construction for our automated container terminal in North America was completed in FY2013. Therefore, we project a ¥16.5 billion improvement in profits.

[Cash flows]

Q5) You have set aside ¥100 billion as short-term liquidity funds, but is this a reasonable level, or will more be required? Can you explain how you arrived at your assumptions?

A5) It's not that we think borrowing from banks is going to become difficult again, like it was after the Lehman Shock, but we can anticipate considerable outflow of cash due to investment in construction of new vessels and so on. So we consider the ¥120 billion-equivalent short-term working cash balance to be adequate for the time being, and will watch the cash flows during FY2014 and consider whether we should maintain it or do away with it. At the moment, we have no immediate plans to convert that ¥120 billion into cash.

Q6) Of the ¥220 billion cash flows from investment activities for FY2014 shown in Slide 16, there is a portion set up as "additional targets". Can you tell us what its breakdown is? Do you expect that it can be reduced at the end of the fiscal period as you did in FY2013?

A6) In the cash flows from investing activities, there is the "firm" portion (¥115 billion) and the "additional targets" (¥105 billion). The "firm" portion is for projects we have already committed to, and represents the total cash outflow already planned for. The "additional targets" are for financial requirements, which are estimated at the largest possible amount necessary for projects under negotiation to acquire, mostly for LNG carriers and offshore business.

Concerning how the funds will be provided, we will carefully develop project finance and other methods that will prevent any adverse effect on our financial standing.