[Translation for Reference and Convenience Purposes Only]

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the Ordinary General Meeting of Shareholders of Mitsui O.S.K. Lines, Ltd. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the Japanese version shall be the official version.

Securities Code: 9104
June 1, 2017

To Shareholders with Voting Rights

Junichiro Ikeda
Representative Director
President, Chief Executive Officer
Mitsui O.S.K. Lines, Ltd.
1-1, Toranomon 2-chome,
Minato-ku, Tokyo, Japan

NOTICE OF CONVOCATION OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the Ordinary General Meeting of Shareholders of Mitsui O.S.K. Lines, Ltd. ("MOL" or the "Company") will be held as set forth below.

You may exercise your voting rights by any of the following methods. Please review the Reference Documents for the General Meeting of Shareholders listed on the right, and exercise your voting rights.

1. **Date and Time:** 10:00 a.m., Tuesday, June 27, 2017
2. **Place:** Shinagawa Intercity Hall, 2-15-4, Konan, Minato-ku, Tokyo, Japan
3. **Agenda of the Meeting:**

Matters to Be Reported:
(1) The Business Report and the Consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements for the Fiscal Year 2016 (From April 1, 2016 to March 31, 2017)
(2) The Non-consolidated Financial Statements for the Fiscal Year 2016 (From April 1, 2016 to March 31, 2017)

Proposals to Be Resolved:
Proposal No. 1: Consolidation of Shares
Proposal No. 2: Partial Amendments to the Articles of Incorporation
Proposal No. 3: Election of Nine (9) Directors
Proposal No. 4: Election of One (1) Audit & Supervisory Board Member
Proposal No. 5: Election of One (1) Substitute Audit & Supervisory Board Member
Proposal No. 6: Issue of Stock Acquisition Rights for the Purpose of Executing a Stock Option System to Executive Officers, General Managers, and Presidents of the Company's Subsidiaries

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Guide to Exercising Your Voting Rights

When you attend the meeting	Please bring the enclosed Voting Form and submit it to the reception desk upon arrival at the venue on the day of the meeting. (It is not necessary to affix a seal on the form.) **→ Date and time of the General Meeting of Shareholders: 10:00 A.M., Tuesday, June 27, 2017**
When you are unable to attend the meeting	**If exercising your voting rights by mail (in writing)** Please review the Reference Documents for the General Meeting of Shareholders listed below and indicate your approval or disapproval of the proposals in the enclosed Voting Form, and post it without affixing a postage stamp. **→ Deadline for exercising voting rights: No later than 5:00 P.M., Monday, June 26, 2017 (must arrive by this time)** **If exercising your voting rights via the Internet** Please access the Company's designated voting website (http://www.web54.net) from your computer or smartphone, enter your voting right exercise code and password indicated on the enclosed Voting Form, and follow the instructions on the display to enter whether you approve or disapprove of the proposals upon reviewing the Reference Documents for the General Meeting of Shareholders. (Note: The website for Internet Voting is Japanese only.) **→ Deadline for exercising voting rights: No later than 5:00 P.M., Monday, June 26, 2017** * In the event that a voting right is exercised both by returning a Voting Form and via the Internet, only voting via the Internet will be deemed valid. In the event that a voting right is exercised more than once via the Internet or via PC and via smartphone, only the last vote will be deemed as valid.

Should any modification to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements occur, the matters after modification will be posted on the Internet website of the Company (listed below).

If you are unable to attend the general meeting of shareholders, you can exercise your voting rights by sending another shareholder with voting rights to the meeting as your proxy. Please note, however, that it is necessary to submit a document evidencing the authority of proxy.

WEBSITE	**http://www.mol.co.jp/en/ir/stock/gms/index.html**

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REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposal No. 1: Consolidation of Shares

1. Reasons for proposal:

In accordance with efforts of Japanese Stock Exchanges toward unifying the trading units of common shares of domestic companies listed on Japanese stock exchanges at 100 shares, the Company decided to change the number of shares constituting one (1) trading unit of shares, which will be the Company's share trading unit, from 1,000 shares to 100 shares, effective from October 1, 2017. In addition, after the change in the number of shares constituting one (1) trading unit, the Company will conduct a consolidation of shares to one (1) share for every ten (10) shares (hereinafter called "Consolidation of Shares"), in order to minimize the impact on the rights of shareholders.

2. Particulars of Consolidation of Shares

(1) Class of shares to be consolidated
Common shares
(2) Consolidation ratio
Every ten (10) shares of the Company will be consolidated into one (1) share.
In case a fractional share less than one (1) share arises as a result of the consolidation of shares, the Company will liquidate all such fractional shares in a lump, and the proceeds from the sale will be distributed to shareholders who hold fractional shares, in accordance with the percentages of said fractions.
(3) Effective date of the consolidation
October 1, 2017
(4) Total number of authorized shares after consolidation of shares
315,400,000 shares

3. Others

Implementation of the Consolidation of Shares as proposed in this proposal will be conditional upon the approval of Proposal No. 2: Partial Amendments to the Articles of Incorporation.
We request that other necessary matters pertaining to the procedures for Consolidation of Shares be wholly entrusted to the Board of Directors.
For details of consolidation of shares and change in number of shares constituting one (1) trading unit, please see the explanatory material provided from page 23 to 25 in this document.

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Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Purpose of amendments

1) In order to clarify the content of the Company's business, its new business, including environmental and emission-free business in the new management plan "Rolling Plan 2017," will be added to the main purpose of the Company business in Article 2 of the current Articles of Incorporation.

2) As stated in the Proposal No. 1 "Consolidation of Shares," the Company will change the number of shares constituting one unit of its common stock, which will be the Company's share trading unit, from 1,000 shares to 100 shares, as well as the total number of issuable shares.

i) In order to adjust the total number of issuable shares to an appropriate level, the Company will change the total number of issuable shares, which is defined in Article 6 of the current Articles of Incorporation, from 3,154,000,000 shares to 315,400,000 shares.

ii) The Company will change the number of shares constituting one unit of its common shares, which is defined in Article 8 of the current Articles of Incorporation, from 1,000 shares to 100 shares.

iii) The changes in Article 6 and Article 8 of the current Articles of Incorporation will take effect on the effective date of the consolidation of shares, and necessary provisions will be established in the Supplementary Provision.

3) Article 14 of the current Articles of Incorporation, which limits the venues for a general meeting of shareholders, will be eliminated to expand the choices of places to hold a general meeting of shareholders, in preparation for unforeseen accidents including natural disasters such as earthquakes.

4) Moreover, necessary changes will be made such as changes to article numbers in accordance with the above changes.

2. Details of amendments

Details of the amendments are as follows.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
Article 2. The main purpose of the Company is to engage in the following businesses:	Article 2. (No change)
(1) - (11) (Omitted)	(1) - (11) (No change)
(Newly established)	(<u>12</u>) <u>Management of schools for education and training of marine technical specialists</u>
(<u>12</u>) Purchase and sale, lease and brokerage of vessels, <u>transportation equipment and cargo handling equipment</u>	(<u>13</u>) Purchase and sale, lease and brokerage of vessels, <u>equipment and machinery, and architecture, execution and superintendence of construction works</u>
(Newly established)	(<u>14</u>) <u>Sale of natural gas and other fuels</u>
(<u>13</u>) - (<u>19</u>) (Omitted)	(<u>15</u>) - (<u>21</u>) (No change)
(Newly established)	(<u>22</u>) <u>Use and trade of renewable energies</u>
(Newly established)	(<u>23</u>) <u>Sale and derivative transactions of greenhouse gas emission rights, and brokerage of these businesses</u>
(<u>20</u>) - (<u>21</u>) (Omitted)	(<u>24</u>) - (<u>25</u>) (No change)
Article 6. The total number of issuable shares by the Company shall be <u>three billion one hundred and fifty four million</u> (<u>3,154,000,000</u>).	Article 6. The total number of issuable shares by the Company shall be <u>three hundred fifteen million and four hundred thousand</u> (<u>315,400,000</u>).
Article 8. The number of shares constituting the minimum trading unit (tan-gen) of shares of the Company shall be <u>one thousand</u> (<u>1,000</u>).	Article 8. The number of shares constituting the minimum trading unit (tan-gen) of shares of the Company shall be <u>one hundred</u> (<u>100</u>).

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Current Articles of Incorporation	Proposed Amendments
Article 14. A general meeting of shareholders may be held in Chiyoda-ku or Minato-ku, in the City of Tokyo, as well as in the seat of the registered office of the Company.	(Deleted)
Article 15. - 37. (Omitted)	Article 14. - 36. (No change)
(Newly established)	Supplementary Provision The effective date of changes in Article 6 and Article 8 of the Articles of Incorporation shall be the date when the effect of the said consolidation of shares pursuant to the proposals at the Ordinary General Meeting of Shareholders held on June 27, 2017, comes in effect. Meanwhile, the supplementary provision shall be deleted after the effective date of consolidation of said shares.

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Proposal No. 3: Election of Nine (9) Directors

The terms of office of all nine (9) directors will expire at the conclusion of this meeting. Accordingly, election of the following nine (9) directors is proposed.

Selection policy and process

The selection of candidates for the Board of Directors is based on the report from the Nomination Advisory Committee. The basic policy of the Company is to have a board composed of internal directors and several outside directors. Directors appointed from within the company should have extensive experience and knowledge and the ability to contribute to the enhancement of the Group's corporate value. Moreover, they should possess broad perspectives and foresight and be able to make management decisions on a global basis. Outside directors should be able to contribute to the enhancement of the Group's corporate value from an objective perspective based on extensive experience and knowledge in their area of expertise.

The candidates for directors are as follows:

Candidate number 1	Reappointed	**Number of the Company's Shares Held** 166,000 shares	**Number of years as Director** 10 years *as of the conclusion of this meeting
Koichi Muto		**Current Positions and Responsibilities in the Company** Representative Director, Chairman Executive Officer	**Attendance to the Board of Directors' meetings** 11 of 11 (Attendance rate: 100%)

Date of birth (Age)
September 26, 1953
(63 years old)

Career Summary

(Title and Assignment in the Company and Significant Concurrent Positions Outside the Company)

Apr. 1976	Joined Mitsui O.S.K. Lines, Ltd.
Jun. 2002	General Manager of Bulk Carrier Division
Jan. 2003	General Manager of Corporate Planning Division
Jun. 2004	Executive Officer, General Manager of Planning Division
Jun. 2006	Managing Executive Officer
Jun. 2007	Director, Managing Executive Officer
Jun. 2008	Director, Senior Managing Executive Officer
Jun. 2010	Representative Director, President Executive Officer
Jun. 2015	Representative Director, Chairman Executive Officer (to present)

[Reason for nominating the candidate for director]

Koichi Muto led management of the Group from June 2010 until June 2015 as Representative Director, President Executive Officer. He has considerable experience and achievements. Since June 2015, as Chairman of the Board of Directors, he has worked to strengthen the Group's corporate governance. He has extensive management knowledge and supervisory abilities. Going forward, he will continue to supervise company management with due consideration to all stakeholders. He will also work to strengthen the decision-making capacity of the Board of Directors regarding important management issues to enhance corporate value. We thus propose that he be reappointed as director.

Candidate number 2

Reappointed

Number of the Company's Shares Held
124,000 shares

Number of years as Director
4 years
*as of the conclusion of this meeting

Junichiro Ikeda

Date of birth (Age)
July 16, 1956
(60 years old)

Current Positions and Responsibilities in the Company
Representative Director,
President, Chief Executive Officer

Attendance to the Board of Directors' meetings
11 of 11 (Attendance rate: 100%)

Career Summary
(Title and Assignment in the Company and Significant Concurrent Positions Outside the Company)

Apr. 1979	Joined Mitsui O.S.K. Lines, Ltd.
Jun. 2004	General Manager of Human Resources Division
Jun. 2007	General Manager of Liner Division
Jun. 2008	Executive Officer
Jun. 2010	Managing Executive Officer
Jun. 2013	Director, Senior Managing Executive Officer
Jun. 2015	Representative Director, President, Chief Executive Officer (to present)

<Significant concurrent positions outside the Company>
Chairman, The Japan Ship Owners' Mutual Protection & Indemnity Association

[Reason for nominating the candidate for director]
Since being appointed as Representative Director, President, Chief Executive Officer in June 2015, Junichiro Ikeda has been carrying out resolutions of the Board of Directors and leading management of the Group. He has been working to enhance corporate value by embarking on a structural reform program and taking decisions on integration of container shipping businesses, made possible due to his strong leadership and decision-making ability based on his considerable experience and achievements. In light of his extensive experience, track record and other attributes, we judge that he is qualified to develop Group management and strengthen corporate governance. We thus propose that he be reappointed as director.

Candidate number 3

Reappointed

Number of the Company's Shares Held
34,000 shares

Number of years as Director
4 years
*as of the conclusion of this meeting

Masahiro Tanabe

Date of birth (Age)
March 11, 1957
(60 years old)

Current Positions and Responsibilities in the Company
Representative Director,
Executive Vice President, Executive Officer

Attendance to the Board of Directors' meetings
11 of 11 (Attendance rate: 100%)

Career Summary
(Title and Assignment in the Company and Significant Concurrent Positions Outside the Company)

Apr. 1979	Joined Mitsui O.S.K. Lines, Ltd.
Jun. 2003	General Manager of Logistics Business Division
Jun. 2008	Executive Officer, and Managing Director of MOL (Europe) B.V.
Jun. 2011	Managing Executive Officer
Jun. 2013	Director, Managing Executive Officer
Jun. 2015	Director, Senior Managing Executive Officer
Apr. 2017	Representative Director, Executive Vice President, Executive Officer (to present)

<Assignment>
Assistant to President, Chief Compliance Officer,
Director General, Product Transport Business Unit,
Supervisor for; Liner Division, Port Projects & Logistics Business Division, New Business Creation and Group Business Division,
Responsible for; Internal Audit Office, General Affairs Division

[Reason for nominating the candidate for director]
Masahiro Tanabe has extensive experience and achievements in the liner and port projects & logistics businesses. In addition, he has served as the individual responsible for liner business companies in Europe. Currently, as Director General of Product Transport Business Unit, he not only oversees businesses, but also serves as Chief Compliance Officer (CCO) based on his extensive knowledge of business management. Furthermore, he has been in charge of overall management as Executive Vice President Executive Officer since April 2017. We thus consider him to be qualified as a director who can enhance the Group's corporate value and propose that he be reappointed as director.

Candidate number 4	Reappointed	**Number of the Company's Shares Held** 81,000 shares	**Number of years as Director** 3 years *as of the conclusion of this meeting

Shizuo Takahashi

Date of birth (Age)
January 18, 1959
(58 years old)

Current Positions and Responsibilities in the Company
Director, Senior Managing Executive Officer

Attendance to the Board of Directors' meetings
11 of 11 (Attendance rate: 100%)

Career Summary
(Title and Assignment in the Company and Significant Concurrent Positions Outside the Company)

Apr. 1981	Joined Mitsui O.S.K. Lines, Ltd.
Jun. 2006	General Manager of Corporate Planning Division
Jun. 2008	Executive Officer, General Manager of Corporate Planning Division
Jun. 2010	Executive Officer
Jun. 2011	Managing Executive Officer
Jun. 2014	Director, Managing Executive Officer
Jun. 2015	Director, Senior Managing Executive Officer (to present)

<Assignment>
Chief Information Officer,
Deputy Director General, Safety Operations Headquarters,
Responsible for; Secretaries Office, Corporate Planning Division, Smart Shipping Office, MOL Information Systems, Ltd.

[Reason for nominating the candidate for director]
Shizuo Takahashi has considerable experience and achievements in corporate planning and the liquefied natural gas (LNG) carrier business. As a senior managing executive officer, he is in charge of corporate planning for the Group and oversees IT strategy as Chief Information Officer (CIO). In addition, he has expertise in business management and operations. We thus consider him to be qualified as a director who can enhance the Group's corporate value and propose that he be reappointed as director.

Candidate number 5	Reappointed	**Number of the Company's Shares Held** 70,000 shares	**Number of years as Director** 2 years *as of the conclusion of this meeting

Takeshi Hashimoto

Date of birth (Age)
October 14, 1957
(59 years old)

Current Positions and Responsibilities in the Company
Director, Senior Managing Executive Officer

Attendance to the Board of Directors' meetings
11 of 11 (Attendance rate: 100%)

Career Summary
(Title and Assignment in the Company and Significant Concurrent Positions Outside the Company)

Apr. 1982	Joined Mitsui O.S.K. Lines, Ltd.
Jun. 2008	General Manager of LNG Carrier Division
Jun. 2009	Executive Officer, General Manager of LNG Carrier Division
Jun. 2011	Executive Officer
Jun. 2012	Managing Executive Officer
Jun. 2015	Director, Managing Executive Officer
Apr. 2016	Director, Senior Managing Executive Officer (to present)

<Assignment>
Director General, Energy Transport Business Unit,
Supervisor for; Steaming Coal Carrier Division, LNG Carrier Division,
Responsible for; Energy Business Strategy Office, Bunker Business Office, Offshore Project Division

[Reason for nominating the candidate for director]
Takeshi Hashimoto has extensive experience in the liquefied natural gas (LNG) carrier and offshore businesses and expertise in global business development. Currently, as a senior managing executive officer, he is in charge of the Energy Transport Business Unit and is extremely well-versed in the Group's business management. We thus the consider him to be qualified as a director who can enhance the Group's corporate value and propose that he be reappointed as director.

Candidate number 6	Newly appointed	**Number of the Company's Shares Held** 20,000 shares	**Number of years as Director** — years *as of the conclusion of this meeting
Takashi Maruyama		**Current Positions and Responsibilities in the Company** Managing Executive Officer	**Attendance to the Board of Directors' meetings** — (Attendance rate: — %)

Date of birth (Age)
April 10, 1959
(58 years old)

Career Summary
(Title and Assignment in the Company and Significant Concurrent Positions Outside the Company)

Apr. 1983	Joined Mitsui O.S.K. Lines, Ltd.
Jun. 2010	General Manager of Finance Division
Jun. 2011	Executive Officer, General Manager of Finance Division
Jun. 2015	Managing Executive Officer (to present)

<Assignment>
Responsible for; Finance Division, Accounting Division, Investor Relations Office

[Reason for nominating the candidate for director]
Takashi Maruyama has many years of experience and considerable achievements in Finance and Investor Relations Divisions. Currently, as Managing Executive Officer, he is in charge of financial strategy for the MOL Group with global operations. We thus consider him to be qualified as a director who can enhance the Group's corporate value and propose that he be appointed as director.

Candidate number 7	Reappointed Outside Independent	**Number of the Company's Shares Held** 20,000 shares	**Number of years as Director** 6 years *as of the conclusion of this meeting
Masayuki Matsushima		**Current Positions and Responsibilities in the Company** Director	**Attendance to the Board of Directors' meetings** 11 of 11 (Attendance rate: 100%)

Date of birth (Age)
June 15, 1945
(72 years old)

Career Summary
(Title and Assignment in the Company and Significant Concurrent Positions Outside the Company)

Apr. 1968	Joined Bank of Japan
Apr. 1990	General Manager, Kumamoto Branch
Nov. 1992	Associate Director – General, the Bank of Japan Representative Office in London
Feb. 1996	Director – General, Research & Statistics Department
Jun. 1998	Executive Director, Bank of Japan (in charge of International Affairs)
Jun. 2002	Senior Advisor, the Boston Consulting Group K.K.
Feb. 2005	Senior Executive Advisor, Credit Suisse Securities (Japan) Limited
Jun. 2008	Chairman, Credit Suisse Securities (Japan) Limited
May 2011	Senior Advisor, the Boston Consulting Group K.K.
Jun. 2011	Outside Director, Mitsui O.S.K. Lines, Ltd. (to present)

<Significant concurrent positions outside the Company>
Outside Director, Mitsui Fudosan Co., Ltd.
Outside Director, JGC Corporation
Chairman, NWIC Co., Ltd.
Senior Adviser, Integral Corporation

[Reason for nominating the candidate for outside director]
Masayuki Matsushima has broad-ranging experience and insights in the financial and other sectors. His global perspective based on this foundation is reflected in the Company's management. Furthermore, he has a standpoint independent from the executive team involved in our business and is a proactive contributor to discussions at Board of Directors meetings, contributing to the maintenance and reinforcement of corporate governance. Also, he has enhanced the transparency and objectivity of decision-making procedures in the Nomination Advisory Committee and the Remuneration Advisory Committee. In light of the above we consider him to be qualified as a director who can enhance the Group's corporate value and propose that he be reappointed as outside director.

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<table>
<tr><td>Candidate number
8</td><td>Reappointed
Outside
Independent</td><td>Number of the Company’s Shares Held
2,000 shares</td><td>Number of years as Director
1 year
*as of the conclusion of this meeting</td></tr>
<tr><td colspan="2" rowspan="2">Hideto Fujii

Date of birth (Age)
December 13, 1947
(69 years old)</td><td>Current Positions and Responsibilities in the Company
Director</td><td>Attendance to the Board of Directors’ meetings
9 of 9 (Attendance rate: 100%)</td></tr>
<tr><td colspan="2">Career Summary
(Title and Assignment in the Company and Significant Concurrent Positions Outside the Company)
Apr. 1971 Joined Ministry of Finance
Jan. 2003 Deputy Vice Minister, Minister’s Secretariat
Jul. 2004 Director-General, Budget Bureau
Jul. 2006 Administrative Vice Minister
Oct. 2007 Deputy Governor, Development Bank of Japan Inc.
Oct. 2008 Deputy President (Resigned in June 2015)
Jun. 2016 Outside Director, Mitsui O.S.K. Lines, Ltd. (to present)
<Significant concurrent positions outside the Company>
Adviser, Sumitomo Corporation
[Reason for nominating the candidate for outside director]
Hideto Fujii has many years of wealth of experience and keen insights from his involvement in Japan’s economic management and policy finance. Using such experience and insights, he proactively contributes to discussions at meetings of the Board of Directors from a position of independence and fairness, and appropriately fulfills his role as a supervisor of the Company’s execution of operations. Also, he has enhanced the transparency and objectivity of decision-making procedures in the Nomination Advisory Committee and the Remuneration Advisory Committee. In light of the above we consider him to be qualified as a director who can enhance the Group’s corporate value and propose that he be reappointed as outside director.</td></tr>
</table>

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Candidate number 9	Reappointed Outside Independent	**Number of the Company's Shares Held** 2,000 shares	**Number of years as Director** 1 year *as of the conclusion of this meeting

Etsuko Katsu

Date of birth (Age)
April 3, 1955
(62 years old)

Current Positions and Responsibilities in the Company	**Attendance to the Board of Directors' meetings**
Director	9 of 9 (Attendance rate: 100%)

Career Summary
(Title and Assignment in the Company and Significant Concurrent Positions Outside the Company)

Apr. 1978	Joined The Bank of Tokyo, Ltd. (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)
Dec. 1992	Senior Economist, The Japan Research Institute, Limited
Apr. 1995	Associate Professor of Finance and Economics, Ibaraki University
Apr. 1998	Associate Professor, School of Political Science and Economics, Meiji University
Apr. 2003	Professor, School of Political Science and Economics, Meiji University
Apr. 2008	Vice President International, Meiji University
Jun. 2016	Outside Director, Mitsui O.S.K. Lines, Ltd. (to present)

<Significant concurrent positions outside the Company>
Professor, School of Political Science and Economics, Meiji University
Director, Center for Entrance Examination Standardization
Board Member, Japan-United States Educational Commission
Administrative Board Member, International Association of Universities

[Reason for nominating the candidate for outside director]

Etsuko Katsu has knowledge and insight as an expert in international finance, experience in university management and experience and knowledge regarding global human resource development initiatives. Based on such experience and knowledge, she provides advice from an objective viewpoint that is independent from executives involved in our businesses. In addition, she adequately fulfills her role as a supervisor of the Company's decision-making on important management matters and of the Company's execution of operations.

Also, she has enhanced the transparency and objectivity of decision-making procedures in the Nomination Advisory Committee and the Remuneration Advisory Committee. Although she has not been involved in corporate management as a person who executes business, based on the above reasons, we propose that she be reappointed as outside director.

Notes:

1. No special interests exist between any of the director candidates and the Company.
2. Among the above candidates, Masayuki Matsushima, Hideto Fujii and Etsuko Katsu are candidates for outside directors stipulated in Article 2, paragraph (3), item (7) of the Ordinance for Enforcement of the Companies Act. Each candidate for outside director satisfies the requirements for independent officer stipulated under the regulations of the stock exchanges on which the Company's common share is listed, as well as the requirements for independence stipulated under the Company's "Independence Criteria for Outside Officers" (page 12 and 13).
3. Pursuant to the provisions of Article 427, Paragraph (1) of the Companies Act, the Company has entered into liability limitation agreements with Masayuki Matsushima, Hideto Fujii and Etsuko Katsu which limit the amount of their liability under Article 423, paragraph (1) of the Companies Act to the aggregate of the amounts specified in items of Article 425, paragraph (1) of the Companies Act, if they perform their duties in good faith and without significant negligence. If their elections as outside directors are approved, the Company intends to continue the liability limitation agreements with them.

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Independence Criteria for Outside Officers

The Company has established the following criteria for the independence of outside directors and outside audit & supervisory board members (hereinafter referred collectively as "Outside Officer"). The Company deems an Outside Officer or a candidate for Outside Officer to have independence in the event that none of the following items is applicable upon the Company having investigated to the extent that is reasonable and practically possible.

(i) A person who is an executing person*[1] of the Company or its subsidiaries (hereinafter referred collectively as the "MOL Group") or has served as an executing person of the MOL Group during the past ten (10) years (in the case of a person who has served as non-executive director, audit & supervisory board member, or accounting advisor of the MOL Group at a certain point in time during the past ten (10) years, during the ten (10) years prior to their appointment).
*1: An executing person refers to an executive director, a corporate officer, an executive officer, other person with similar responsibilities, or an employee of a corporation or other organization.

(ii) A current major shareholder*[2] of the Company or an executing person thereof, or a person who has fallen under such category during the past three (3) years.
*2: A major shareholder means a shareholder who holds shares with 10% or more of voting rights in his or her own name or in another person's name at the end of the most recent fiscal year of the Company.

(iii) A party in which the MOL Group directly or indirectly holds 10% or more voting rights out of the total number of voting rights, or an executing person thereof, or a party which has fallen under such category during the past three (3) years.

(iv) An executing person of a company which has accepted a director (either full-time or part-time) from the MOL Group, or the parent company or a subsidiary thereof, or a person who was an executing person of such company during the past three (3) years.

(v) An executing person of a financial institution or other major creditor, or the parent company or a major subsidiary thereof, which is indispensable for the MOL Group's financing and on which the MOL Group depends to an irreplaceable extent.

(vi) A party with which the MOL Group is a major business partner*[3], or if such party is a company, then an executing person of such company, or the parent company or a major subsidiary thereof, or a party which has fallen under such category during the past three (3) years.
*3: A party with which the MOL Group is a major business partner means a party which, in its most recent fiscal year, received a payment of 2% or more of its consolidated total revenue from the MOL Group (excluding payment of compensation for directors from the MOL Group if a party with which the MOL Group is a major business partner is an individual).

(vii) A party which is a major business partner of the MOL Group*[4], or if such party is a company, then an executing person of such company, or the parent company or a major subsidiary thereof, or a party which has fallen under such category during the past three (3) years.
*4: A major business partner of the MOL Group means a party which paid the MOL Group 2% or more of its gross sales in its most recent fiscal year.

(viii) A party which was an accounting auditor of the MOL Group, or an employee, etc. thereof, or a party which has fallen under such category during the past three (3) years.

(ix) A consultant, an accounting professional, or a legal professional receiving a significant amount of money or other assets*[5] other than director remuneration from the MOL Group (if a party receiving such assets is an organization such as a corporation or an association, then a person who belongs to such organization), or a party which has fallen under such category during the past three (3) years.
*5: A significant amount of money or other assets means ¥10 million or more of money or other property benefits received per year other than director remuneration in its most recent fiscal year (if a party receiving such assets is an organization such as a corporation or an association, a significant amount of money or other assets means the amount of money or other assets benefit which exceeds 2% of the gross revenue of the party in its most recent fiscal year),

(x) A party which received donations or grants exceeding a certain amount*[6] from the MOL Group (if a party receiving such donations or grants is an organization such as a company or an association, then an executing person of such organization), or a party which has fallen under such category during the past three (3) years.
*6: Donations or grants exceeding a certain amount mean donations or grants exceeding the greater of ¥10 million per year on average during the past three (3) years or 2% of the gross revenue of a party in its most recent fiscal year.

(xi) A close relative*[8] of a person who is applicable to the above-listed items (i) through (x) (limited to a person who is in an important position*[7]).
*7: A person who is in an important position means an employee who holds a senior management position, such as executive director, corporate officer, executive officer, or general manager or above; if a person belongs to an auditing firm or an accounting firm, then a certified public accountant; if a person belongs to a law firm, then a lawyer; if a person belongs to an incorporated foundation, an incorporated association, or an incorporated educational institution, then an officer such as councilor, board member, or an auditor-secretary; or other person who is objectively and reasonably considered to be of equivalent importance.
*8: A close relative means a spouse or a relative within the second-degree of kinship.

(xii) Other person who might have a conflict of interest with general shareholders and in circumstances which are reasonably considered to prevent the person from fulfilling duties as an independent outside officer.

Proposal No. 4: Election of One (1) Audit & Supervisory Board Member

The terms of office of an audit & supervisory board member, Takehiko Ota will expire at the conclusion of this meeting. Accordingly, election of the following one (1) audit & supervisory board member is proposed.

The Audit & Supervisory Board has previously given its consent to this proposal.

The candidate for audit & supervisory board member is as follows:

Newly appointed

Number of the Company's Shares Held
7,000 shares

Kenji Jitsu

Date of birth (Age)
September 24, 1960
(56 years old)

Career Summary
(Title in the Company and Significant Concurrent Positions Outside the Company)

Apr. 1984	Joined Mitsui O.S.K. Lines, Ltd.
Jun. 2009	General Manager of CSR and Environment Office, Corporate Planning Division
Jun. 2013	General Manager of Investor Relations Office
Jun. 2015	General Manager of Accounting Division (to present)

[Reason for nominating the candidate for Audit & Supervisory Board Member]

Kenji Jitsu is well versed in ESG and accounting based on his many years of experience in corporate planning, accounting, and investor relations divisions. In addition, he has a wide-ranging knowledge of the overall business of the MOL Group. We consider that he would carry out his duties as an audit & supervisory board member competently from a position of objectivity and fairness. We thus propose that he be appointed as an audit & supervisory board member.

Note: No special interests exist between Kenji Jitsu and the Company.

[Translation for Reference and Convenience Purposes Only]

Proposal No. 5: Election of One (1) Substitute Audit & Supervisory Board Member

In preparation for lacking a quorum of audit & supervisory board members, election of one (1) substitute audit & supervisory board member is proposed, based on the provisions of Article 329, paragraph (3) of the Companies Act.

The Audit & Supervisory Board has previously given its consent to this proposal.

The candidate for substitute audit & supervisory board member is as follows:

<table>
<tr><td>Outside
Independent</td><td>Number of the Company's Shares Held
– shares</td></tr>
<tr><td>Isao
Seki

Date of birth (Age)
August 10, 1946
(70 years old)</td><td>Career Summary
(Title in the Company and Significant Concurrent Positions Outside the Company)
Aug. 1969 Joined Chiyoda Audit Corporation
Jun. 2006 Joined Shisei Audit Corporation
Took office as representative partner
Jan. 2013 Established SEKI Tax Corporation
Took office as representative partner
(Changed corporate name to Prudence Tax Accountant Corporation, to present)
<Significant concurrent positions outside the Company>
Representative Partner, Prudence Tax Accountant Corporation
[Reason for nominating the candidate for outside Audit & Supervisory Board Member]
As a long-serving certified public accountant, Isao Seki has many years of experience in accounting and a wide knowledge of the field. If appointed as an audit & supervisory board member he could use this experience and knowledge in the company's auditing systems. We think he would carry out his duties as an outside audit & supervisory board member competently from a position of objectivity and fairness. We thus propose that he be appointed as a substitute audit & supervisory board member
Although he has not been involved in corporate management as a person who executes business, the Company has judged that he can perform his duties as outside audit & supervisory board member appropriately for the above-mentioned reasons.</td></tr>
</table>

Notes:

1. No special interests exist between Isao Seki and the Company.
2. It is proposed that Isao Seki be elected as a substitute outside audit & supervisory board member. In addition, he satisfies the requirements for independent officer stipulated under the regulations of the stock exchanges on which the Company's common share is listed, as well as the requirements for independence stipulated under the Company's "Independence Criteria for Outside Officers" (page 12 and 13).
3. On Isao Seki's assumption of office as an audit & supervisory board member, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company intends to enter into contract with Isao Seki, which will limit his liability as set forth in Article 423, paragraph (1) of the Companies Act to the total of the amounts set forth in items of Article 425, paragraph (1) of the Companies Act, if he is without knowledge and is not grossly negligent in performing his duties.

[Translation for Reference and Convenience Purposes Only]

Proposal No. 6: Issue of Stock Acquisition Rights for the Purpose of Executing a Stock Option System to Executive Officers, General Managers, and Presidents of the Company's Subsidiaries

In fiscal year 2017, determination of offering subscription of stock acquisition rights as stock options for Executive Officers who do not serve as Directors of the Company, General Managers, or Presidents of subsidiaries, will be authorized by the Board of Directors, based on the provisions of Article 236, 238 and 239 of the Companies Act in the following matters.

1. Reason for the necessity of subscription for persons who underwrite the stock acquisition rights on particularly advantageous terms
   With the purpose of increasing the Company's business performance and shareholders' profit by increasing incentives for Executive Officers who do not serve as Directors of the Company, General Managers, or Presidents of subsidiaries, the Company will allocate stock option rights to these persons, without a payment requirement.
2. Details and maximum number of stock acquisition rights
   (1) Maximum number of stock acquisition rights
   Maximum shall be 1,500, determined as provided in item (3) below.
   The total number of shares issuable by exercising the stock acquisition rights, shall be up to 1,500,000 of the Company's common shares, and in the case that the number of granted shares related to the relevant stock acquisition rights by (3) (a) below is adjusted, it shall be that number multiplied by the number of granted shares related to the relevant stock acquisition rights after adjustment by the above-written maximum number of stock acquisition rights.
   (2) Payment shall not be required for granting of the stock acquisition rights
   (3) Details of stock acquisition rights
   (a) Class and number of shares for the purpose of stock acquisition rights
   Class of shares for the purpose of stock acquisition rights shall be common shares, and the number for the purpose of each stock acquisition right (hereinafter called "granted shares"), is to be limited to 1,000.
   However, in the event of the Company's common stock split (including the gratis allotment of the stock) or reverse share split after the resolution by the General Meeting of Shareholders (hereinafter called "resolution date"), the number of granted shares related to the relevant stock acquisition rights shall be adjusted proportionally in accordance with the percentage of the share split or reverse share split.
   In addition, in the case the Company decreases capital, after the resolution date, due to cases beyond the Company's control that needs adjustment of the number of granted shares related to the relevant stock acquisition rights, the number of granted shares related to the relevant stock acquisition rights shall be adjusted within a rational range, under consideration of conditions, etc. of capital reduction, etc.
   Fractions of less than one (1) share as a result of the above adjustment are to be rounded down.
   (b) Amount to be paid when stock acquisition rights are exercised
   Amount to be paid when stock acquisition rights are exercised shall be the paid amount per share that can be issued by exercising the stock acquisition rights (hereinafter called "exercise amount"), multiplied by the anticipated number of shares concerning the relevant stock acquisition rights.
   The exercise amount will be the average closing price, multiplied by 1.10, of the Company's common stock (hereinafter called "closing price") on the Tokyo Stock Exchange of the previous month of the date when the stock acquisition rights are allocated (hereinafter called "allotment date"). Note that the date when the trade was not effective is not included. Fractions of less than ¥1 will be rounded up.
   However, in the case the amount is lower than the closing price of the warrant issue date (when no closing rate is published on that day, closing rate of the nearest previous date shall be applied), it will be the closing price on that date.
   After the allotment date, in the event of a share split (including the gratis allotment of the stock) or reverse share split its shares after the issue date of warrants, the exercise amount will be adjusted by the following formula, with fractions of less than ¥1 rounded up.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{1}{\text{Ratio of share split/reverse share split}}$$

   In addition, after the allotment date, for the Company's common stock, in the case the Company issues new shares or disposes of treasury stock at a price lower than market price [excluding sale of treasury stock based on provision of Article 194 of the Companies Act (claim of sale of minimum trading unit (*tan-gen*) of shares by shareholders of minimum trading unit (*tan-gen*)); and transfer or exercise of securities that are or can be made to common stock of the Company or the stock acquisition rights (including ones committed to corporate bonds with new stock acquisition rights) that can be claimed for issue of the Company's common stock, the exercise price shall be adjusted in accordance with the following formula, with fractions of less than ¥1 rounded higher.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{\text{Number of shares outstanding} + \dfrac{\text{Number of shares to be issued} \times \text{Subscription price per share to be issued}}{\text{Market price per share}}}{\text{Number of shares outstanding} + \text{Number of shares to be issued}}$$

In the above formula, the "number of shares outstanding" is the number of the Company's outstanding common stock, deducted by the number of shares of its treasury stock concerning common stock. In case the treasury stock is disposed, the "number of shares to be issued" shall be treated as the "number of shares to be disposed."

Furthermore, in the case the Company is merged with another company, in the case the Company executes a demerger, or in the case the Company decreases capital, after allotment date, that require adjustment of the exercise price, the exercise price shall be adjusted within a rational range, subject to a resolution of the Board of Directors.

(c) Period during which stock acquisition rights may be exercised
It will be determined by the Board of Directors, which will be within a period from June 28, 2019 to June 25, 2027.

(d) Capital and capital reserve increased in the case the stocks are issued by exercising the stock acquisition rights
i) The amount of capital increased in the case the shares are issued by exercising the stock acquisition rights shall be half of the maximum limit to increase capital, calculated in accordance with the Company Calculation Ordinance, Article 17, paragraph (1), and is adjusted in accordance with the following formula, with fractions rounded up.
ii) The amount of capital reserve increased in the case the shares are issued upon the exercise of stock acquisition rights shall be the amount that the maximum limits of capital, etc. described in i) above is subtracted by the increased capital amount determined in i) above.

(e) Restrictions on acquisition of stock acquisition rights by transfer
Any acquisition of the stock acquisition rights by transfer shall require the prior approval of the Board of Directors.

(f) Acquisition conditions of stock acquisition rights
Acquisition conditions of stock acquisition rights shall not be determined.

(g) The Company, in the case of merger (limited only to cases in which the Company is dissolved by merger), absorption-type company split/incorporation-type company split, stock exchange or stock transfer (all hereinafter called "organizational restructure"), may issue the stock acquisition rights of the companies listed in the Companies Act, Article 236, paragraph (1), item (8)-A to E (hereinafter called "restructure target company") to each person holding stock acquisition rights (hereinafter called "remaining stock acquisition rights") that remain outstanding at the time when the effects of the organizational restructure arises, for each case thereof, based on the following conditions. In this case, the remaining stock acquisition rights shall be void and the restructured target companies shall issue new stock acquisition rights. However, this will apply only to the case of the agreement to issue the stock acquisition rights of the restructure target companies, in accordance with the following conditions: the merger agreement, newly founded merger agreement, merger/split agreement, new split agreement, stock exchange agreement, or stock transfer plan.
i) Number of stock acquisition rights of restructured target companies
The same number of stock acquisition rights shall be issued as the number that the person holds of remaining stock acquisition rights with respect to the Company's stock.
ii) Class of shares of restructured target companies for the purpose of stock acquisition rights
It shall be the common stock of the restructured target companies.
iii) Number of shares of restructured target companies for the purpose of stock acquisition rights
It shall be determined in accordance with the above item (a), after considering the conditions, etc. for organizational restructure.
iv) Amount to be paid when stock acquisition rights are exercised

Amount to be paid when each stock acquisition right is exercised shall be the amount obtained by multiplying the payout amount after restructure adjusted after considered conditions, etc. for the organizational restructure by the number of shares for the purpose of the relevant stock acquisition rights determined in accordance with the sentence iii).

v) Exercise period of the stock acquisition rights
The stock acquisition rights determined in the above item (c) can be exercised from the later of: the commencement date of the exercise period of the stock acquisition rights determined in the above item (c); or the effective date of the organizational restructure, to the expiration date of the period.

vi) Capital and capital reserve increased in the case the shares are issued by exercising the stock acquisition rights
It shall be determined in accordance with item (d) above.

vii) Limits of acquisition of stock acquisition rights by assignment
Acquisition of stock acquisition rights by assignment shall require approval of the restructured target company.

viii) Acquisition conditions of stock acquisition rights
It shall be determined in accordance with item (f) above.

(h) In the case of fractions of less than one (1) share is included in the number of shares delivered to the persons who exercise the stock acquisition rights, the fractional portion shall be omitted.

(i) Exercise conditions of stock acquisition rights
i) A single stock acquisition right may not be split.
ii) Persons who receive the allotment may exercise the right, even in the case that they no longer hold the position of Executive Officer, General Manager, or President of a subsidiary, when exercising the rights.
Note: The granted stock acquisition rights shall immediately be cancelled, in the case that he or she is sentenced to imprisonment or severer, in the case that he or she is dismissed or discharged, or in the case that he or she has died.
iii) Other conditions to exercise the rights shall be determined by the Board of Directors.

- END -

[Translation for Reference and Convenience Purposes Only]

[Reference] Approaches to Corporate Governance

Basic Concept of Corporate Governance

MOL actively and continually strives to bolster its corporate governance to ensure sustainable growth and maximize mid- and long-term group corporate value based on the group's corporate philosophy and long-term vision, as well as the midterm management plan, by taking the following measures, etc.: 1) appointing two or more outside directors (For this year's ordinary general meeting of shareholders, the Company has submitted a proposal to appoint three outside directors.); 2) establishing Nomination Advisory Committee and Remuneration Advisory Committee, which are arbitrary organizations whose majority of members are outside directors, as advisory bodies to the Board of Directors; and, 3) establishing the Company's own criteria for judging independence from the current fiscal year, in addition to the requirements for independent officers stipulated by the Tokyo Stock Exchange.

The ocean shipping business environment and risk factors change rapidly. As we set our course, we must accurately grasp business environment, always confront risks appropriately, and effectively utilize our management resources in a careful balance of offense and defense. We believe that the essentials of corporate governance are fostering sustainable growth and increasing corporate value by making decisions swiftly and boldly, guided by appropriate risk management, while ensuring the transparency and fairness of management by carefully considering the viewpoints of our diverse stakeholders and other various social requests.

MOL Corporate Governance Organizational Structure

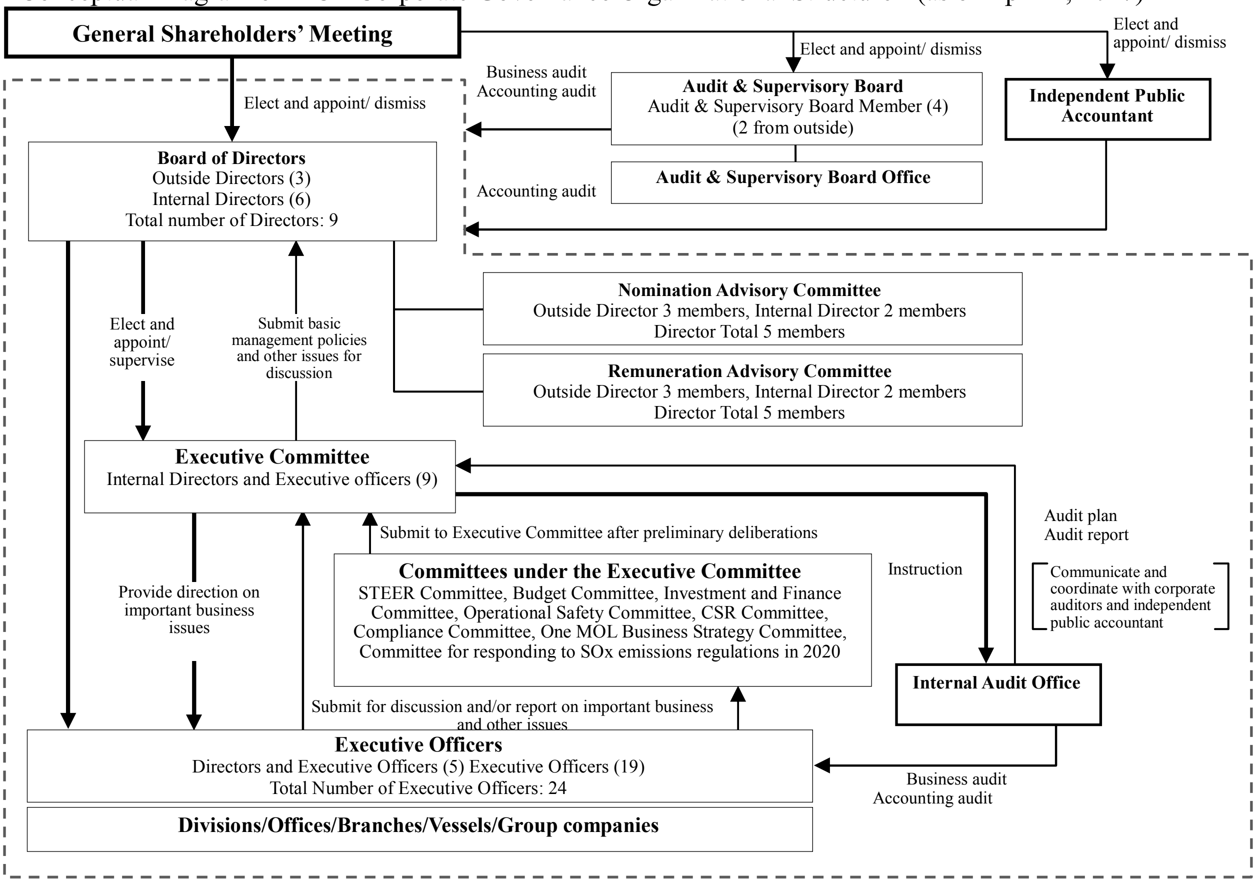
We believe that the appropriate form of governance is to ensure the legality, appropriateness, and efficiency of business operations by ensuring an effective supervisory framework for the Board of Directors. This is accomplished while securing the audit function of the Audit & Supervisory Board, which is independent from the Board of Directors, and by having, as a matter of course, a mutual supervision and check mechanism between internal directors (directors also serving as executive officer) who execute operations, and a Board of Directors that consists of internal directors who carry out business operations and outside directors who do not execute operations but specialize in supervisory functions. Based on this view, MOL has become a company with an Audit & Supervisory Board as provided for in the Companies Act.

The Board of Directors, by its resolution, has established a basic policy for developing a system to secure the properness of operations (the internal control system) (revised on April 28, 2017). The MOL Group's officers and employees, under the president serving as the chief executive officer for management, carry out business operations in accordance with the management policy set by the Board of Directors and the above-mentioned basic policy, while being subject to supervision by the Board of Directors and audit by the Audit & Supervisory Board. (For details of the business operation system, please see the descriptions given in a later section.)

We believe that the essence of corporate governance lies not in the existence of its structure or organization described in the preceding paragraph, but in whether or not it functions properly and effectively in the manner outlined in the following sections.

[Translation for Reference and Convenience Purposes Only]

<Conceptual Diagram of MOL Corporate Governance Organizational Structure> (as of April 1, 2017)



Board of Directors

The Board of Directors, as the Company's primary decision-making body, discusses and decides on basic policy and the most important matters connected to MOL Group management.

The Board of Directors consists of six (6) internal directors and three (3) outside directors, who hold no interest in MOL. Outside directors confirm the appropriateness of management decisions and management of business operations based on their individual experience and expertise from an independent position without any interest in the Company, and at the same time play a major role in revitalizing the Board of Directors by expressing helpful opinions regarding overall management. We provide a system to support outside directors such as providing them with preliminarily explanations of proposals before a Board of Directors meeting and reports on important matters related to business operations on a case-by-case basis. The Board of Directors also holds "Deliberation on Corporate Strategy and Vision," in which we freely exchange opinions about management strategies, our long-term vision, and overall management, together with outside directors and outside audit & supervisory board members.

[Translation for Reference and Convenience Purposes Only]

"Deliberation on Corporate Strategy and Vision"

MOL's "Deliberation on Corporate Strategy and Vision"

At MOL, three hours are set aside for every Board of Directors' meeting, with one of the hours allotted to "Deliberation on Corporate Strategy and Vision." At the "Deliberation on Corporate Strategy and Vision," a theme is selected related to our management strategy, long-term vision or management in general. A free exchange of opinions is carried out at these deliberations which include outside directors and outside audit & supervisory board members.

FY2016 "Deliberation on Corporate Strategy and Vision": Agenda Topics

	Agenda
April	Strategy for Car Carrier Division
September	Toward the formulation of the next medium-term management plan
January	Draft outline of the next medium-term management plan
February	Draft outline of the next medium-term management plan (continued)

Nomination Advisory Committee and Remuneration Advisory Committee

MOL has established the Nomination Advisory Committee and the Remuneration Advisory Committee as arbitrary organizations under the Board of Directors. For making the outside directors supervise the executive directors more effectively, both committees are chaired by outside directors and are composed of all outside directors, the chairman, and the president as its members, with outside directors comprising the majority. The committees both seek to provide an objective standpoint, from the "perspective of shareholders," to, in the case of Nomination Advisory Committee, examine the selection of directors and executive officers and, in the case of the Remuneration Advisory Committee, to determine appropriate levels of remuneration for directors, including incentives for long-term enhancement of corporate value. The Board of Directors respects the content of the report from the two Advisory Committees, and uses it in formulating necessary resolutions.

Effectiveness Evaluation

The Board of Directors, in accordance with the Corporate Governance Code, performs evaluations and analyses of its effectiveness each year through deliberations based on the results of self-questionnaires and questionnaires, and links the results of evaluations and analyses to improvements in the operation of the Board of Directors.
In order to make effectiveness evaluations more beneficial, every fiscal year, the Company revises the items to be evaluated, such as matters that are pertinent to the state of affairs of the fiscal year under review, to ensure a thorough evaluation. In FY2016, there are many additional items to be evaluated, and the content has been fleshed out.

Business Operation System

With regard to business operations, MOL introduced the executive officer system in 2000. The executive officers, selected by the Board of Directors and assigned to various fields of authority by the representative directors, strive to improve the speed and efficiency of management by implementing Company operations in line with the management policies determined by the Board of Directors. The Executive Committee (chaired by the President), as the top decision-making authority for business operations, functions as the deliberative body for important issues related to basic management plans and the conduct of business operations, based on policies determined by the Board of Directors. Under the Executive Committee, MOL has established eight (8) committees. Executive officers and general managers concerned, in addition to committee members, attend each Meeting and examine and deliberate matters brought up for discussion.

Auditing System

The Audit & Supervisory Board consists of two (2) full-time audit & supervisory board members and two (2) outside audit & supervisory board members who hold no interest in MOL. The Audit & Supervisory Board Members periodically hold Audit & Supervisory Board Members' meetings to draw up audit plans and report and share audit results, etc. All Audit & Supervisory Board Members attend Board of Directors' meetings, and full-time Audit & Supervisory Board Members attend Executive Committee including those of the Board of Directors and various committees to audit the processes of deliberation and decision making. KPMG AZSA LLC, a limited liability audit corporation, with which MOL has an audit contract, executes accounting auditing. In addition to the Audit & Supervisory Board Members and accounting auditors, we formed the Internal Audit Office, which receives directions only from Executive Committee and is independent from any other management bodies. In this way, we audit the company's business operations including those of group companies, in collaboration with legal auditing executed by both the Audit & Supervisory Board Members and accounting auditors.

[Translation for Reference and Convenience Purposes Only]

[For reference] Q&A on Change in Number of Shares Constituting One Trading Unit and Consolidation of Shares

Q1. What are consolidation of shares and change in number of shares constituting one trading unit?

A1. In a consolidation of shares, multiple shares held by shareholders are consolidated to create a smaller number of shares. The number of shares constituting one trading unit refers to the number of shares in one share trading unit for the purpose of exercising voting rights at a general meeting of shareholders, and is also used as the trading unit of shares listed on the stock exchange.

MOL decided to consolidate every ten (10) shares into one (1) share and change the number of shares constituting one trading unit from 1,000 shares to 100 shares.

Q2. What are the purposes of the consolidation of shares and the change in the number of shares constituting one trading unit?

A2. The Japanese stock exchanges, under their “Action Plan for Consolidating Trading Units,” are promoting the unification of the trading units of common shares at 100 shares. Following the guidelines, MOL decided to change the trading units of the Company’s shares from 1,000 shares to 100 shares. In addition, after changing the trading units of the Company’s shares from 1,000 shares to 100 shares, MOL has decided to conduct a consolidation of shares to one (1) share for every ten (10) shares in order to minimize the impact on the rights of shareholders.

Q3. How will the number of shares held by shareholders and the number of voting rights change after the consolidation of shares?

A3. The number of shares held by each shareholder after the consolidation of shares will be obtained by multiplying the number of shares listed or recorded on the final register of shareholders as of September 30, 2017, by one-tenth (1/10). (Any fractional shares less than one (1) share will be rounded down.) The number of voting rights will be one (1) per 100 shares held after the consolidation of shares. Specifically, the following are examples of the numbers of shares held and voting rights before and after the effective date of the consolidation of shares and change in the number of shares constituting one trading unit:

	Before the effective date		After the effective date		
Example	Number of shares held	Number of voting rights	Number of shares held	Number of voting rights	Number of fractional shares
1)	4,000 shares	4	400 shares	4	None
2)	2,500 shares	2	250 shares	2	None
3)	1,885 shares	1	188 shares	1	0.5 shares
4)	662 shares	None	66 shares	None	0.2 shares
5)	6 shares	None	0 shares	None	0.6 shares

In case a fractional share less than one share (hereinafter called “Fractional Share”) arises as a result of consolidation of shares (as in examples 3) through 5) above), the Company will liquidate all such fractional shares in a lump, and the proceeds from the sale will be distributed to shareholders who hold fractional shares, in accordance with the percentages of said fractions, between late November and early December 2017.

Shareholders who are applicable under example 3) through 5) may use the additional share purchase program or the share buyback program before the effective date of the consolidation of shares to avoid disposals of fractional shares.

For specific procedures, please contact your securities firm or our Shareholder Registry Administrator below (*).

Q4. Will the consolidation of shares affect asset value?

A4. Although the number of shares held by shareholders will be one-tenth (1/10) after the consolidation of shares, the Company’s assets and capital will not change before or after consolidation. The net asset value per share will increase tenfold. Thus, the asset value of the Company’s share held by shareholders will not be changed, except by other factors such as stock market fluctuations. Theoretically, the share price after the consolidation of shares will be ten times the share price prior to consolidation.

Q5. Will the consolidation of shares affect the minimum investment amount?

A5. Theoretically, the minimum investment amount will not be affected by the consolidation of shares.
(For reference) Estimates based on the closing price on March 31, 2017 (¥350)
Before consolidation
¥350 (share price) x 1,000 shares (number of shares constituting one trading unit) = ¥350,000 (minimum investment amount)
After consolidation
¥3,500 (share price) x 100 shares (number of shares constituting one trading unit) = ¥350,000 (minimum investment amount)

Q6. Will the decrease in the number of shares held by shareholders after the consolidation of shares reduce dividends received by shareholders?
A6. Although the number of shares held by shareholders will be one-tenth (1/10) after the consolidation of shares, the Company plans to set the dividend per share upon taking the consolidation ratio (1-for-10 ratio) into account after the effective date of the consolidation of shares. Thus, apart from change in business performance or other factors, total dividends of each shareholder after the consolidation of shares will not be affected. However, shares constituting less than ten (10) shares will become fractional shares after the consolidation of shares, and the Company will liquidate all such fractional shares in a lump, and distribute the proceeds from the sale to shareholders who hold fractional shares, in accordance with the percentages of said fractions.

Q7. Are there any procedures shareholders have to carry out?
A7. Shareholders do not have to carry out any procedures.
Shares less than ten (10) shares will become fractional shares after the consolidation of shares, and the Company will liquidate all such fractional shares in a lump, and distribute the proceeds from the sale to shareholders who hold fractional shares, in accordance with the percentages of said fractions.
A shareholder whose shareholding is less than ten (10) shares before the consolidation of shares will lose its status as a shareholder.

Q8. Can shareholders make additional purchases of fractional shares or sell them after the effective date of the share consolidation?
A8. Because fractional shares cannot be traded on stock exchange markets, shareholders owning such fractional shares will be able to apply for the additional share purchase program or share buyback program in the same manner as before the effective date of the share consolidation. For details of procedures, please contact your securities companies, or the administrator of MOL's shareholder registry stated below (*).

Q9. Taking this opportunity, I would like to dispose fractional shares I have.
A9. Your securities companies handle applications for purchases of fractional shares (MOL's purchase of shares less than one trading unit). Requests to purchase on the current trading unit basis (1,000 shares) will be handled until Monday, September 25, 2017. Requests to purchase on the new trading unit basis (100 shares) will be handled after the effective date.
If you do not have an account with a securities company, please contact the administrator of MOL's shareholder registry below (*). (Please note that fractional shares cannot be traded on stock exchange markets.)

Q10. Will there be a period during which trading is suspended?
A10. There will be no period during which trading is suspended, but, due to the number of days taken to transfer shares after trading, trading on the current trading unit basis will be available until Tuesday, September 26, 2017. Trading from Wednesday, September 27, 2017 will be on the basis of the new share trading unit of 100 shares. Stock prices on and after Wednesday, September 27, 2017 will also reflect the effects of the consolidation of shares.

Q11. Will the complimentary ticket for a shareholder be affected?
A11. There will be no impacts. Due to the consolidation of shares, the criteria for the number of holding shares will be changed as follows.

Number of complimentary tickets	Number of shares (after the effective date)	Number of shares (before the effective date)
Two (2) tickets	100 – 499 shares	1,000 – 4,999 shares
Four (4) tickets	500 – 999 shares	5,000 – 9,999 shares
Six (6) tickets	1,000 shares and above	10,000 shares and above

Q12. What will be the specific time frame for coming events?
A12. The following is the current schedule.

Tuesday, June 27, 2017	Ordinary General Meeting of Shareholders
Friday, September 15, 2017	Public announcement of the consolidation of shares
Tuesday, September 26, 2017	Last date of trading on the basis of the current trading unit (1,000 shares)
Wednesday, September 27, 2017	Start date of trading on the basis of the new trading unit (100 shares)
Sunday, October 1, 2017	Effective date of the consolidation of shares, change in the number of shares of a trading unit, and change in the total number of authorized shares

*Administrator of MOL's shareholder registry:
Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Business Planning Department
8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063
TEL: 0120-782-031 (toll-free, available only in Japan)
Operating hours: 9:00-17:00 (excluding Saturdays, Sundays, and National Holidays)

[Translation for Reference and Convenience Purposes Only]

Please note that the following is an unofficial English translation of the Japanese original text of the business report of Mitsui O.S.K. Lines, Ltd. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the Japanese version shall be the official version.

BUSINESS REPORT

(From April 1, 2016 to March 31, 2017)

1. Matters Concerning the Present State of the Corporate Group

(1) Business Progress and Results

In the global economy during the fiscal year (FY) 2016 (April 1, 2016 to March 31, 2017), overall, there has been increased vibrancy over the second half of 2016, notably in the U.S. and China. The U.S. economy maintained a trend of expansion, driven by strong personal consumption, which continues to trend on the side of improvement amid firm conditions in employment and income environments. The European economy, underpinned by steadily firm personal consumption continued to show moderate but stable growth. In the Chinese economy, it had been appearing that the trend of slowdown was on pause amid steadily firm personal consumption, but entering 2017, investments in fixed assets began to accelerate, and this and other factors have provided support for it to turn toward recovery since the latter half of the fiscal year. In Japan, economic recovery continued to be stalled but signs have appeared of an upswing in the personal consumption, which has recently been staying at weak levels.

Looking at the maritime shipping market conditions, the dry bulker market experienced intensive chartering activities by major shippers in western Australia and an increase in the volume of coal imports in China, allowing to avoid a record low hit in the fourth quarter of the previous fiscal year. Afterward, although the dry bulker market continued to experience suppression of market rises, from the beginning of Autumn, firm iron ore shipments from major ports in Brazil and increased North American grain shipments pushed the market to once again rise and exhibit an overall trend of recovery. With respect to the very large crude oil carrier (VLCC) market, against the background of an excess supply of vessels, the market fluctuated significantly during the fiscal year due to the factors such as fluctuations in seasonal demand and the political situation in oil producing countries in West Africa, and it was firm throughout the fiscal year on average despite being lower than the strong levels of the previous fiscal year. In the containership freight market, although some improvements in the supply and demand environment on Asia-North America, Asia-Europe and Asia-South America routes facilitated a recovery in the spot freight rates, the business environment continued to be difficult overall due mainly to significant falls in the one-year contract freight rates at the beginning of the fiscal year, notably on the Asia-North America routes due to the impact of weak market conditions in the previous fiscal year.

The average exchange rate of Japanese yen against the U.S. dollar during the fiscal year appreciated by ¥12.05 year on year to ¥108.57. The average bunker price during the fiscal year rose by US$19/MT year on year to US$284/MT.

As a result of the above, we recorded revenue of ¥1,504.3 billion, operating profit of ¥2.5 billion, ordinary profit of ¥25.4 billion and profit attributable to owners of parent of ¥5.2 billion.

[Translation for Reference and Convenience Purposes Only]

(2) Financial Position and Results of Operations

(Millions of yen)

Category	FY2013	FY2014	FY2015	FY2016 (current fiscal year)
Revenues	1,729,452	1,817,069	1,712,222	1,504,373
Ordinary profit	54,985	51,330	36,267	25,426
Profit (loss) attributable to owners of parent	57,393	42,356	(170,447)	5,257
Net income (loss) per share (yen)	47.99	35.42	(142.50)	4.40
Total assets	2,364,695	2,624,049	2,219,587	2,217,528
Total net assets	783,549	892,435	646,924	683,621
ROE (Return on Equity)	9.5%	5.8%	(25.8)%	0.9%
ROA (Return on Assets)	2.4%	2.1%	1.5%	1.1%
Equity ratio	28.7%	29.8%	24.4%	25.8%
Net gearing ratio *(Interest-bearing debt - Cash and cash equivalents)/Shareholders' equity	135%	135%	164%	164%

Note: Figures in revenues, ordinary profit, profit (loss) attributable to owners of parent, total assets and total net assets are rounded down to the nearest million.

(3) Business Overview by Segment

Bulkships			
Revenues	¥744.2 billion	Revenue composition ratio	49.47%
Ordinary profit (loss)	¥ 39.0 billion		

[Major Business Lines]
Owning and operating dry bulkers, tankers, offshore businesses and LNG carriers, car carriers and other bulkships.

[Overview of Market Conditions of FY2016]
● Dry Bulker Division
- The dry bulker market shook off the record-breaking low levels at the beginning of the fiscal year, showing signs of recovery due to factors such as solid shipments of iron ore from Brazil, and increased coal imports by China. The fourth quarter was also comparatively solid, led by increased shipping of South American grains and an increase in FFAs (forward freight agreements).
- Although operating amid conditions of market recovery, the division made a significant year-on-year improvement to its ordinary loss, and returning back in profit for the fiscal year.

●Tanker/LNG Carrier/Offshore Businesses Divisions
- The very large crude oil carrier (VLCC) market improved, due to the reopening of shipments from Nigeria and the increased demand in winter, despite being sluggish from July onwards, with worsening supply and demand due to factors such as completion of new vessels and the Nigerian civil war. A solid level was maintained throughout the fiscal year, despite falling short of the previous fiscal year, in which the market rose sharply.
- The product tanker market fell short of the previous fiscal year on average, due to sluggish freight movements in general for products such as vegetable oil, as completion of new ships continued. The LPG shipping market fell short of the previous fiscal year.
- Although profits decreased significantly in the previous fiscal year, the tanker division posted a profit for the fiscal year.
- The LNG carrier division achieved an increase in ordinary profit year on year while continuing to secure stable profits from long-term contracts, in addition to launching newly built vessels.
- The offshore business achieved an increase in ordinary profit year on year owing to the smooth operation of FPSO, including the launch of one new unit.

● Car Carrier Division
- Although the transportation of completed cars to the U.S. and Europe was firm, transportation to resource-producing countries and emerging countries weakened due to economic slowdown amid low resource prices, etc.
- Profits of the car carrier division significantly decreased year on year.

[Major Initiatives]
● Dry Bulker Division
- The dry bulker division focused on Business Structural Reforms that essentially aim to reduce the fleet of Capesize bulkers under spot operation, fundamentally redesign our business model for the mid- and small-sized vessels, and optimize the fleet size.
- Supplying new vessels equipped with environmental measures.

● Tanker/LNG Carrier/Offshore Businesses Divisions
- Acquiring new contracts such as oil tankers for overseas customers, improving operating efficiency through pool operations, reducing market exposure, and launching world's first methanol-powered carriers (Tanker division)
- Constructing the world's first large ethane carrier (LNG carrier division)
- Participating in projects of subsea support vessels and Self-Elevating Platform vessels, which installs offshore wind power generation turbines and related facilities (Offshore businesses division)

● Car Carrier Division
- Reducing aged vessels, improving operational efficiency in response to changing trade patterns in respect to vessels, cargos, and space flexibility, etc. among Group companies.

Containerships			
Revenues	¥620.7 billion	Revenue composition ratio	41.26%
Ordinary profit (loss)	¥(32.8) billion		

[Major Business Lines]
Owning and Operating containerships, container terminals, air and sea forwarding, land transport, warehousing services, offering total logistics solution services for the transport of heavy goods, etc.

[Overview of Market Conditions in FY2016]
- The spot freight market on Asia-North America routes fell to record low price levels in the first quarter, but from the second quarter onward largely maintained an upward trend amid a scenario where cargo volumes from Asia were at a record-high pace.
- The spot freight market on Asia-Europe routes followed an upward trend throughout the year, underpinned by firm cargo volumes from Asia, through a brief adjustment phase.
- On Asia-South America routes, the spot freight rates have risen remarkably since the first quarter, staying at a high level overall throughout the fiscal year. On Intra-Asia routes, the spot freight market slumped amid weak cargo volumes.
- The one-year contract freight rates considerably decline notably on the Asia-North America routes at the beginning of the fiscal year due to the impact of stagnation in the spot freight rate in the previous fiscal year. It weighed on the Containership segment throughout the period.
- The Ordinary loss of the Containership business improved year on year from the third quarter onward, but ordinary loss for the full year slightly increased year on year.

[Major Initiatives]
- Three Japanese shipping companies have made an announcement to establish a joint-venture company in the containership business, and launch services effective from April 2018.
- The alliance on east-west operated routes was restructured. Replacing the existing G6 Alliance, new services started under a new partnership, the Alliance, by five (5) companies from April 2017. Furthermore, streamlining measures were implemented for each shipping route.
- Cutting operation costs by continuously reducing the expenses of positioning empty containers through improved yield management.
- The terminal business developed automated loading and unloading cargo areas for the Company's

directly operated terminal in Los Angeles, while significantly expanding the areas of directly operated terminals located in the ports of Kobe and Oakland.
- The logistics business has been expanding its business bases in emerging countries by forming new operating bases in India, Kenya, and Myanmar, and making a capital contribution to a prominent logistics company in Malaysia.

Ferries and Coastal RoRo Ships			
Revenues	¥42.0 billion	Revenue composition ratio	2.79%
Ordinary profit (loss)	¥4.5 billion		

[Major Business Lines]
Transporting passengers and cargos by operating ferries in inshore Pacific and Seto Inland Sea.

[Overview of Market Conditions of FY2016]
- The cargo volume was firm as a result of further accelerated modal shift in long-distance truck transport switching to ferry transportation, which further reflects changes in the trucking labor situation such as shortage and aging of the workforce, and stronger labor controls.
- Although the Kumamoto Earthquake impacted negatively on some passenger routes, a fall in the bunker price and other factors made it possible for the segment to secure ordinary profit at almost the same level year on year.

[Major Initiatives]
- Further promoting the launch of operations of new four ferries in FY2017 and 2018.
- Enhancing marketing activities targeted at cruise customers by leveraging ICT.

Associated Businesses			
Revenues	¥90.0 billion	Revenue composition ratio	5.98%
Ordinary profit (loss)	¥12.3 billion		

[Major Business Lines]
Real estate business, cruise ship business, tugboat business, trading business (fuel, vessel materials, sales of machinery, etc.), construction business, HR and staffing business, etc.

[Overview of Market Conditions of FY2016]
- The cruise ship business achieved a year-on-year increase in ordinary profit as a result of the Nippon Maru enjoying strong passenger numbers.
- In the real estate business, ordinary profit increased year on year owing mainly to Daibiru Corp., the core company in the MOL Group's real estate business, increasing its sales on the back of the firm office leasing market, centered on the Tokyo metropolitan area.
- Other associated businesses, such as the tugboat and trading businesses, also showed firm performances overall.
- Ordinary profit of the Associated businesses segment increased on a year-on-year basis.

[Major Initiatives]
- The cruise ship business held the Setouchi Triennale 2016 Partnership Special Art Festival Viewing Cruise as a joint program with Mitsui Fudosan Co., Ltd.
- The trading business carried out a sales promotion for Propeller Boss Cap Fins (PBCF), energy-saving merchandise.

Others			
Revenues	¥7.3 billion	Revenue composition ratio	0.50%
Ordinary profit (loss)	¥1.8 billion		

[Major Business Lines]
Ship management business, financing business, shipbuilding business, information service business, accounting service business, marine consulting business, etc.

[Overview of Market Conditions of FY2016]
Ordinary profit in this segment whose costs are borne mainly by the MOL Group decreased year on year.

(4) Fund Raising

1) Fund Raising

The Group's funds required in the fiscal year under review were financed with our own resources and borrowings from financial institutions.

2) Capital Investment

The Group's capital investment, mainly in ships, implemented in the fiscal year under review amounted to approximately ¥141.7 billion.

(Millions of yen)

Name of Segment	Amount of Capital Investment
Bulkships	87,182
Containerships	28,307
Ferries and Coastal RoRo Ships	20,229
Associated Businesses	4,937
Others	180
Adjustment	955
Total	141,793

Notes: 1. Figures less than one million yen are rounded down to the nearest million.
2. "Adjustment" includes assets which are not allocated to segments.

Twenty four vessels, bulkships and containerships, were sold and removed.

Sale of Vessels

Name of Segment	Number of Vessels	Deadweight Tons (in thousands)	Book Value (millions of yen)
Bulkships	19	2,679	42,567
Containerships	5	275	7,190
Total	24	2,954	49,757

Note: Figures less than one million yen are rounded down to the nearest million.

(5) Management Strategies and Issues to be Addressed

New Management Plan "Rolling Plan 2017"

The Company formulated the Single-Year Management Plan in fiscal 2016, and focused on the complete implementation of business structural reforms and the formulation of a strategic base for future growth. As a result, we achieved a consolidated ordinary profit for the fiscal year under review. The company has devised the new management plan, "Rolling Plan 2017" in order to build up revenue from this fiscal year onwards, on the back of the cost competitiveness of our fleet, which has been achieved through structural reforms.

With the development of the new management plan "Rolling Plan 2017," the MOL Group has stated its vision for 10 years from now and its medium to long-term management direction, and based on these, it has developed 3-year and long term business strategies, as the management environment undergoes remarkable changes. With regard to allocation of resources, the Company is being selective and focused to improve its financial structure and reform its business portfolio.

[Translation for Reference and Convenience Purposes Only]

1. Vision for the MOL Group 10 years from now

◦ Provide “stress-free services that are truly convenient for customers worldwide,” with the aim of “serving customers as a solid and reliable partner at all times.”

◦ Develop the environment and emission-free business into one of our future core businesses.

◦ Become the “most competitive business conglomerate” by selecting and focusing on comparatively strong businesses.

2. Strategies for realizing the vision

(1) Investment and business strategies

▪ Focus new investments on high-priority projects for the time being and conduct both investments and disciplined financial management.

▪ In the marine transport business division, invest management resources effectively, focusing on business fields with potential for solid earnings.

▪ In the marine associated business divisions, including the logistics business, ferry business, and offshore businesses, expand and strengthen business areas with potential for growth.

(2) Initiatives on environment and emission-free businesses

Given tightening environmental regulations and rising environmental awareness, make efforts to curb greenhouse gas emissions caused by international shipping operations, while promoting and developing environmental and emission-free businesses to secure the profitability of the growing renewable energy business.

(3) Promoting work-style reforms

The MOL Group aims to be the most competitive corporate group when it comes to personnel, by creating a corporate environment where officers and employees can work with enthusiasm, and achieve innovation in terms of our technology and business model.

(4) Initiatives to enhance our marine technical skills, promote our ICT strategy, and conduct technological development

Enhance our marine technical skills:

Provide services that fully harness the MOL Group's marine technical skills

Promote our ICT strategy:

Provide visualization of maritime operations (safe and optimal vessel operation) and added value to customers

Promote technological development:

Promote the ISHIN NEXT - MOL SMART SHIP PROJECT (advanced support technologies for safer vessel operation and technologies for reducing environmental impact)

3. Medium- to Long-Term Profit Levels and Key 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

Issues to be Addressed

Regarding the integration of container shipping businesses with Nippon Yusen Kabushiki Kaisha and Kawasaki Kisen Kaisha, Ltd. agreed in October 2016, the Company will carry out discussions and preparations to launch successful operations by a new joint-venture company targeted at April 2018, and try to generate synergies from integration at the early stage. With this initiative, the Company will endeavor to recover the profitability of the container shipping business, in order to forge a profitable base for a new venture company. Furthermore, the MOL Group will work on reconstructing domestic and international networks with the scope of container shipping businesses at post-integration, as well as projects to strengthen the business base of the MOL Group after integration.

The MOL Group is the subject of investigations by regulators in the United States, Europe and other countries, on the suspicion of violations of each country’s competition laws with respect to ocean transport services of completed vehicles. In addition, a class-action lawsuit was filed in the U.S. and other countries against the MOL Group, seeking damage claims, a cease and desist order, and so on. The MOL Group takes this situation very seriously, and will continue to work to enhance compliance, including compliance with antitrust laws of respective nations, as well as strive to prevent recurrence.

(6) Principal Business (As of March 31, 2017)

Worldwide Maritime cargo transport services such as Bulkships, various Bulk Carriers, Tankers, LNG Carriers and Container vessels and Marine transportation businesses such as collection of freight, ship charter hire and handling charges in operations, offshore business, warehousing and real estate

(7) Principal Business Offices (As of March 31, 2017)

1) The Company

	Location
Head and registered office	Tokyo
Branch offices	Nagoya (Aichi Pref.), Kansai (Osaka Pref.), Kyushu (Fukuoka Pref.), Hiroshima (Hiroshima Pref.)
Representative offices	Beijing Representative Office (China)

2) Subsidiaries

- Principal domestic business offices
  Tokyo, Kanagawa Pref., Osaka, Hyogo Pref.
- Principal overseas business offices
  U.S.A., Canada, Mexico, Panama, Brazil, Chile, Peru, Uruguay, United Kingdom, Germany, the Netherlands, Belgium, Poland, Czech Republic, Turkey, Egypt, Cote d'Ivoire, Ghana, Nigeria, South Africa, China, Korea, Taiwan, the Philippines, Vietnam, Cambodia, Singapore, Malaysia, Indonesia, India, Pakistan, Thailand, Myanmar, Australia, New Zealand

(8) Shipping Tonnage of the Group (As of March 31, 2017)

Category	Bulkships				Containerships	
	Dry Bulkers(*), Car Carriers		Tankers, LNG Carriers		Containerships	
	Number of Vessels	Deadweight Tons	Number of Vessels	Deadweight Tons	Number of Vessels	Deadweight Tons
		in thousands		in thousands		in thousands
Owned vessels	121	6,572	100	12,460	13	1,034
Chartered vessels	364	26,232	93	4,455	78	5,913
Others	1	1	3	190	0	0
Total	486	32,804	196	17,105	91	6,947

Category	Ferries and Coastal RoRo Ships		Associated Businesses		Others		Total	
	Ferries and Coastal RoRo Ships		Cruise Ship		Others			
	Number of Vessels	Deadweight Tons	Number of Vessels	Deadweight Tons	Number of Vessels	Deadweight Tons	Number of Vessels	Deadweight Tons
		in thousands		in thousands		in thousands		in thousands
Owned vessels	11	59	1	5	0	0	246	20,130
Chartered vessels	3	19	0	0	2	13	540	36,632
Others	0	0	0	0	0	0	4	191
Total	14	78	1	5	2	13	790	56,952

(*) Including coastal dry bulkers.

(9) Employees (As of March 31, 2017)

1) Employees of the Group

Name of Segment	Number of Employees	
Bulkships	1,369	(148)
Containerships	5,808	(378)
Ferries and Coastal RoRo Ships	845	(73)
Associated Businesses	2,075	(1,510)
Others	369	(65)
Company-wide (common)	328	(61)
Total	10,794	(2,235)
As of March 31, 2016	10,500	(2,181)

Notes: 1. The number of employees includes the entire labor force, and the approximate average number of temporary employees is indicated in parentheses.
2. The employees indicated as Company-wide (common) belong to administrative departments, which cannot be classified in any specific segment.

2) Employees of the Company

Number of Employees		Year-on-year Increase (Decrease)	Average Age	Average Years of Service
	persons	persons	years old	years
Employees on land duty	670	28	39.5	15.9
Employees on sea duty	296	13	31.8	10.5
Total	966	41	37.1	14.2

Notes: 1. The number of employees on land duty does not include 380 employees dispatched outside the Company and 210 non-regular employees and others.
2. The number of employees on sea duty does not include 4 employees dispatched outside the Company and 40 non-regular employees and others.

(10) Principal Subsidiaries (As of March 31, 2017)

Company	Paid-in Capital (millions of yen)	Percentage of Equity Participation (%)	Principal Business
Daibiru Corporation	12,227	*51.06	Real estate business
Utoc Corporation	2,155	*67.42	Harbor and transportation business
Mitsui O.S.K. Passenger Line, Ltd.	100	100.00	Marine transportation business
Mitsui O.S.K. Kinkai, Ltd.	660	100.00	Marine transportation business
Mitsui O.S.K. Techno-Trade, Ltd.	490	100.00	Sales of fuel oil/vessel materials/ machinery
MOL Logistics (Japan) Co., Ltd.	756	75.06	Air Transport agents and other businesses
Ferry Sunflower Ltd.	100	99.00	Marine transportation business
Nissan Motor Car Carrier Co., Ltd.	640	90.00	Marine transportation business
MOL Ferry Co., Ltd.	1,577	100.00	Marine transportation business
Phoenix Tankers Pte. Ltd.	379,311 USD Thousand	100.00	Marine transportation business
MOL Chemical Tankers Pte. Ltd.	138,017 SGD Thousand	100.00	Marine transportation business
TraPac, LLC.	–	*51.00	Harbor and transportation business

Notes: 1. Figures less than one million yen are rounded down to the nearest million. Figures less than one thousand USD and one thousand SGD are rounded down to the nearest thousand.
2. Percentage of participation is the total of percentage of direct equity participation by the Company and indirect equity participation through subsidiaries.
Figures prefixed by * include a percentage of indirect equity participation by subsidiaries. Such figures reflect the percentage of equity participation of the holding subsidiary held by the Group.

3. MOL Chemical Tankers Pte. Ltd. changed its company name from Tokyo Marine Asia Pte. Ltd. effective January 1, 2017.

(11) Major Creditors (As of March 31, 2017)

(Millions of yen)

Creditor	Loan Outstanding
Sumitomo Mitsui Banking Corporation	51,980
Development Bank of Japan Inc.	50,266
Mitsubishi UFJ Trust and Banking Corporation	46,983
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	30,457
Sumitomo Mitsui Trust Bank, Limited.	26,206
The Norinchukin Bank	18,007
Mizuho Bank, Ltd.	15,775

Note: Figures less than one million yen are rounded down to the nearest million.

2. Status of Shares (As of March 31, 2017)

(1) Total Number of Shares Authorized to Be Issued 3,154,000,000 shares

(2) Number of Shares Issued 1,206,286,115 shares

(**including own shares** 10,206,405 shares)

(3) Number of Shareholders 96,892 parties

(4) Major Shareholders

Name of Shareholders	Investment in the Company by the Shareholders	
	Number of Shares (in thousands)	Investment ratio (%)
1. BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	43,041	3.60
2. The Master Trust Bank of Japan, Ltd. (Trust Account)	41,087	3.44
3. Japan Trustee Services Bank, Ltd. (Trust Account)	39,486	3.30
4. Japan Trustee Services Bank, Ltd. (Trust Account 9)	32,432	2.71
5. Mitsui Sumitomo Insurance Co., Ltd.	30,165	2.52
6. Sumitomo Mitsui Banking Corporation	30,000	2.51
7. Japan Trustee Services Bank, Ltd. (Mitsui Engineering & Shipbuilding Co., Ltd. Retirement Benefit Trust Account re-entrusted by Sumitomo Mitsui Trust Bank, Limited)	29,312	2.45
8. Japan Trustee Services Bank, Ltd. (Trust Account 5)	19,265	1.61
9. HSBC BANK PLC A/C CLIENTS 1	17,490	1.46
10. Mizuho Bank, Ltd.	17,000	1.42

Notes:
1. Shares less than 1,000 have been rounded down to the nearest 1,000 shares.
2. Shares of the above loan and trust companies include shares related to trust services.
3. The investment ratio is calculated excluding own shares (10,206,405 shares).
4. The above major shareholders had reported information on trust assets, etc. in the form of aggregated numbers in the past years. From the fiscal year under review, trust assets in the above list are presented exactly as described in MOL’s shareholder registry.

3. Matters Concerning Stock Acquisition Rights

(1) Outline of Stock Acquisition Rights Held by the Company's Officers at the End of the Fiscal Year under Review, etc.

Issue date	August 10, 2007	August 8, 2008	August 14, 2009	August 16, 2010	August 9, 2011	August 13, 2012	August 16, 2013	August 18, 2014	August 17, 2015	August 15, 2016
Total number of holders (persons)	1	1	1	1	2	1	4	5	7	9
MOL Directors (excluding outside directors) (persons)	1	1	1	1	1	1	3	4	6	6
MOL Outside Directors (persons)	0	0	0	0	1	0	1	1	1	3
MOL Audit & Supervisory Board Members (persons)	None	None	None	None	None	None	None	None	None	None
Total number of stock acquisition rights (units)	30	40	40	100	120	20	158	200	380	430
Class and number of shares subject to the stock acquisition rights (shares)	(common stock) 30,000	(common stock) 40,000	(common stock) 40,000	(common stock) 100,000	(common stock) 120,000	(common stock) 20,000	(common stock) 158,000	(common stock) 200,000	(common stock) 380,000	(common stock) 430,000
Paid-in value at exercise of stock acquisition rights (yen)	without consideration	without consideration	without consideration	without consideration	without consideration	without consideration	without consideration	without consideration	without consideration	without consideration
Exercise price (yen per share)	1,962	1,569	639	642	468	277	447	412	427	242
Exercise period of the stock acquisition rights	June 20, 2008 to June 21, 2017	July 25, 2009 to June 24, 2018	July 31, 2011 to June 22, 2019	July 31, 2012 to June 21, 2020	July 26, 2013 to June 22, 2021	July 28, 2014 to June 21, 2022	August 2, 2015 to June 20, 2023	August 2, 2016 to June 23, 2024	August 1, 2017 to June 20, 2025	August 1, 2018 to June 19, 2026
Exercise conditions of the stock acquisition rights	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)

Notes: 1. 1) A stock acquisition right cannot be partially exercised.

2) Even if the grantee no longer holds a position as an officer of the Company, he/she may exercise stock acquisition rights. However, if the grantee is sentenced to imprisonment or heavier penalty, dismissed from office, or passes away, the granted stock acquisition rights shall become invalid immediately.

3) Other exercise conditions of stock acquisition rights are according to the decision of the Board of Directors.

2. The stock acquisition rights granted to MOL directors are indicated.

(2) Outline of Stock Acquisition Rights Granted to MOL Employees, etc. during the Fiscal Year under Review, etc.

Issue date	August 15, 2016
Total number of employees granted (persons)	87
MOL executive officers (excluding ones concurrently serving as an MOL officer) (persons)	18
MOL employees (excluding one serving as an MOL officer/executive officer) (persons)	32
Officers and employees of MOL subsidiaries (excluding ones serving as an MOL officer/executive officer/employee) (persons)	37
Total number of stock acquisition rights (units)	1,150
Class and number of shares subject to the stock acquisition rights (shares)	(common stock) 1,150,000
Paid-in value at exercise of stock acquisition rights	without consideration
Exercise price (yen per share)	242
Exercise period of the stock acquisition rights	August 1, 2018 to June 19, 2026
Exercise conditions of the stock acquisition rights	(Note)

Notes: 1. A stock acquisition right cannot be partially exercised.
2. Even if the grantee no longer holds a position as an MOL employee, he/she may exercise stock acquisition rights. However, if the grantee is sentenced to imprisonment or heavier penalty, dismissed from office, or passes away, the granted stock acquisition rights shall become invalid immediately.
3. Other exercise conditions of stock acquisition rights are according to the decision of the Board of Directors.

(3) Other Significant Matters Concerning Stock Acquisition Rights, etc.

The Company issued "Euro US dollar Zero Coupon Convertible Bond due 2018" and "Euro US dollar Zero Coupon Convertible Bond Due 2020," and their details are as follows.

Euro US dollar Zero Coupon Convertible Bond due 2018

Issue date	April 24, 2014
Total number of stock acquisition rights (units)	3,000
Class and number of shares subject to the stock acquisition rights (shares)	(common stock) 56,497,175
Conversion price	US$5.31
Exercise period of the stock acquisition rights	May 8, 2014 to April 10, 2018
Exercise conditions of the stock acquisition rights	Partial exercise of each stock acquisition right is not allowed.
Balance of convertible bonds	US$300 million

Euro US dollar Zero Coupon Convertible Bond Due 2020

Issue date	April 24, 2014
Total number of stock acquisition rights (units)	2,000
Class and number of shares subject to the stock acquisition rights (shares)	(common stock) 41,841,004
Conversion price	US$4.78
Exercise period of the stock acquisition rights	May 8, 2014 to April 9, 2020
Exercise conditions of the stock acquisition rights	Partial exercise of each stock acquisition right is not allowed.
Balance of convertible bonds	US$200 million

[Translation for Reference and Convenience Purposes Only]

4. Matters Concerning Officers

(1) Directors and Audit & Supervisory Board Members (As of March 31, 2017)

Position	Name	Assignment	Significant Concurrent Positions Outside the Company
Representative Director, Chairman of the Board, Chairman Executive Officer	Koichi Muto		
Representative Director, President, Chief Executive Officer	Junichiro Ikeda		Chairman, The Japan Ship Owners' Mutual Protection & Indemnity Association
Representative Director, Executive Vice President, Executive Officer	Kenichi Nagata	Assistant to President, Director General, Dry Bulk Business Unit, Responsible for; Dry Bulk Business Planning & Co-ordination Office, Dry Bulk Carrier Division (B)	
Director, Senior Managing Executive Officer	Masahiro Tanabe	Supervisor for; Finance Division, Accounting Division, Investor Relations Office, Liner Division, Port Projects & Logistics Business Division, Group Business Division, Responsible for Research Office	
Director, Senior Managing Executive Officer	Shizuo Takahashi	Chief Compliance Officer, Chief Information Officer, Deputy Director General, Safety Operations Headquarters, Responsible for; Internal Audit Office, Secretaries Office, Corporate Planning Division, Public Relations Office, MOL Information Systems, Ltd.	
Director, Senior Managing Executive Officer	Takeshi Hashimoto	Director General, Energy Transport Business Unit, Responsible for; Energy Business Strategy Office, Steaming Coal Carrier Division, LNG Carrier Division, Offshore and LNG Project Division, LNG Safety Management Office	
Director	Masayuki Matsushima		Provided in (4) Matters Concerning Outside Officers below.
Director	Hideto Fujii		Provided in (4) Matters Concerning Outside Officers below.
Director	Etsuko Katsu		Provided in (4) Matters Concerning Outside Officers below.
Full-time Audit & Supervisory Board Member	Takehiko Ota		Corporate Auditor, Utoc Corporation
Full-time Audit & Supervisory Board Member	Takashi Nakashima		
Audit & Supervisory Board Member	Hiroyuki Itami		Provided in (4) Matters Concerning Outside Officers below.
Audit & Supervisory Board Member	Hideki Yamashita		Provided in (4) Matters Concerning Outside

			Officers below.

Notes: 1. Directors Masayuki Matsushima, Hideto Fujii, and Esuko Katsu are outside directors. They satisfy the requirements for independent officer stipulated under the regulations of the stock exchanges on which the Company's common share is listed, as well as the requirements for independence stipulated under the Company's "Independence Criteria for Outside Officers" (on page 12).

2. Audit & Supervisory Board Members, Hiroyuki Itami and Hideki Yamashita are outside audit & supervisory board members. They satisfy the requirements for independent officer stipulated under the regulations of the stock exchanges on which the Company's common share is listed, as well as the requirements for independence stipulated under the Company's "Independence Criteria for Outside Officers" (on page 12).

3. Hiroyuki Itami, an audit & supervisory board member, is thoroughly versed in business management through practical research on business strategies as an expert in business science, and has considerable knowledge about finance and accounting.

4. Hideki Yamashita, an audit & supervisory board member, is familiar with corporate legal affairs as an attorney at law, and has considerable knowledge about finance and accounting.

5. At the conclusion of the Ordinary General Meeting of Shareholders held on June 21, 2016, Director Takeshi Komura (outside, no position of responsibility) resigned from his office due to expiration of his term.

6. Executive officers as of March 31, 2017 are as follows (excluding ones concurrently serving as director).

Executive Officers (As of March 31, 2017)

Position	Name	Assignment
Senior Managing Executive Officer	Masaaki Nemoto	Director General, Safety Operations Headquarters, Supervisor for; Human Resources Division, Marine Safety Division, Dry Bulk Carrier Supervising Office, Tanker Safety Management Office, LNG Safety Management Office
Managing Executive Officer	Toshiya Konishi	Responsible for Port Projects & Logistics Business Division, Chief Executive Representative in Americas
Managing Executive Officer	Takashi Maruyama	Responsible for; Finance Division, Investor Relations Office
Managing Executive Officer	Akihiko Ono	Responsible for Liner Division
Managing Executive Officer	Akio Mitsuta	Deputy Director General, Energy Transport Business Unit, Responsible for; Tanker Division, Tanker Safety Management Office
Managing Executive Officer	Naotoshi Omoto	Responsible for Car Carrier Division
Managing Executive Officer	Toshiyuki Sonobe	Responsible for; Group Business Division, Kansai Area, Japan Logistics Business Promotion
Managing Executive Officer	Yoshikazu Kawagoe	Responsible for Technical Division
Managing Executive Officer	Koichi Yashima	Responsible for; Human Resources Division, General Affairs Division
Executive Officer	Hideo Horiguchi	Responsible for Accounting Division
Executive Officer	Mitsujiro Akasaka	Chief Executive Representative in Asia, Middle East & Oceania, Managing Director of Mitsui O.S.K. Bulk Shipping (Asia Oceania) Pte. Ltd.
Executive Officer	Toshiaki Tanaka	Deputy Director General, Dry Bulk Business Unit, Responsible for; Dry Bulk Carrier Division (A), Dry Bulk Carrier Supervising Office
Executive Officer	Nobuo Ishihara	Chief Executive Representative in Europe & Africa, Managing Director of Mitsui O.S.K. Bulk Shipping (Europe) Ltd.

Executive Officer	Kenta Matsuzaka	Secondarily Responsible for Offshore and LNG Project Division, General Manager of LNG Carrier Division
Executive Officer	Masanori Kobayashi	Deputy Director General, Safety Operations Headquarters, Responsible for; Tanker Safety Management Office, LNG Safety Management Office, Secondarily Responsible for Marine Safety Division
Executive Officer	Yutaka Hinooka	General Manager of Liner Division
Executive Officer	Masato Koike	General Manager of Tanker Division
Executive Officer	Masanori Kato	Deputy Director General, Safety Operations Headquarters, Responsible for; Human Resources Division, Marine Safety Division, Dry Bulk Carrier Supervising Office

(2) Outline of the limited liability contract

Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into contracts with outside officers that limit their liability as set forth in Article 423, paragraph (1) of the Companies Act to the total of the amounts set forth in items of Article 425, paragraph (1) of the Companies Act, if they are without knowledge and are not grossly negligent in performing their duties.

(3) Remunerations Paid to Directors and Audit & Supervisory Board Members

By reference to companies in the same industry and companies of the same size in other industries, the Company has developed a system of remunerations for Directors and Audit & Supervisory Board Members that is suited for securing human resources, having a link with the Company's business performance designed to motivate Directors and Audit & Supervisory Board Members to achieve performance goals, and also ensuing a link with a medium- to a long-term corporate value.

In addition, the Company has established Remuneration Advisory Committee that consists of all Outside Directors and Representative Director-Chairman Executive Officer and Representative Director-President, Chief Executive Officer who were appointed by a resolution of the Board of Directors as committee members, and is chaired by an outside director to deliberate a structure for remunerations and other compensation packages for directors (including outside directors), calculation method thereof, as well as remunerations and other compensation packages of each individual.

Based on the aforementioned, the remuneration for directors consists of monthly remuneration, bonus based on operating performance for a single fiscal year, and stock option remuneration linked to medium- and long-term corporate value. As monthly remuneration, the Company provides directors with a monthly fixed amount, which varies, depending on the level of a director’s position. Bonus, which is paid in June every year, comprises a base amount by position levels, which is determined based on the level of performance of the entire company’s business results, plus compensation added for individuals achieving the performance results of a division in charge. Stock option remuneration, which is paid in August every year, is determined based on each director’s position.

Audit & supervisory board members’ remuneration is determined within the limit stipulated at a general meeting of shareholders, with consideration given to whether full time or part time, conditions for audit work assigned, and directors’ remuneration levels and contents, and through discussions among audit & supervisory board members.

Bonuses and stock option remuneration are not provided to audit & supervisory board members.

Category	Number of Persons Remunerated	Total Amount of Remunerations by Type (millions of yen)			Total Amount of Remunerations Paid (millions of yen)
		Monthly remuneration	Bonus	Stock option	
Directors (including	10	260	-	24	284

outside directors)					
Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members)	4	75	-	-	75
Total	14	335	-	24	360

Notes: 1. The above includes remuneration related to one (1) director who resigned at the conclusion of the Ordinary General Meeting of Shareholders held on June 21, 2016.
2. The above includes payments of remunerations to six (6) outside officers totaling ¥48 million.
3. Recorded figures less than one (1) million are rounded down to the nearest million.

(4) Matters Concerning Outside Officers

1) Major activities and significant concurrent positions outside the Company

[Outside Directors]

Name	Major Activities	Significant Concurrent Positions outside the Company
Masayuki Matsushima	Attended all eleven (11) board meetings held in the fiscal year under review and appropriately made statements necessary for discussing proposals on the basis of his many years of experience and knowledge in the financial sector, from the objective viewpoint of an outside director.	Outside Director, Mitsui Fudosan Co., Ltd. Outside Director, JGC Corporation Chairman, NWIC Co., Ltd. Senior Adviser, Integral Corporation
Hideto Fujii	Attended all nine (9) board meetings held in the fiscal year under review since his appointment on June 21, 2016, and made statements necessary for discussing proposals based on his many years of experience and knowledge of Japan's economic management and policy finance, from the objective viewpoint of an outside director.	Adviser, Sumitomo Corporation
Etsuko Katsu	Attended all nine (9) board meetings held in the fiscal year under review since her appointment on June 21, 2016, and made statements necessary for discussing proposals based on her knowledge and insights as a specialist mainly on international finance, from the objective viewpoint of an outside director.	Professor, School of Political Science and Economics, Meiji University Director, Center for Entrance Examination Standardization Board Member, Japan-United States Educational Commission Administrative Board Member, International Association of Universities

[Outside Audit & Supervisory Board Members]

Name	Major Activities	Significant Concurrent Positions outside the Company
Hiroyuki Itami	Attended ten (10) out of eleven (11) board meetings and nine (9) out of ten (10) audit & supervisory board members' meetings held in the fiscal year under review and appropriately made statements necessary for discussion of proposals mainly from the professional viewpoint as a scholar of business administration.	Professor of Graduate School of Innovation Studies, Tokyo University of Science Outside Director, TOSHIBA CORPORATION Outside Corporate Auditor, JFE Holdings, Inc.
Hideki Yamashita	Attended all eleven (11) board meetings and all ten (10) audit & supervisory board members' meetings held in the fiscal year under review and appropriately made statements necessary for discussion of proposals mainly from the professional viewpoint as an attorney at law.	Attorney at law, YAMASHITA & TOYAMA LAW AND PATENT OFFICE Outside Corporate Auditor, I-Cell Networks

Note: No significant business relationships exist between the Company and the organizations for which the outside directors and outside audit & supervisory board members hold significant concurrent positions.

5. Status of the Accounting Auditor of Business Report

(1) Name of Accounting Auditor KPMG AZSA LLC

(2) Compensations to the Accounting Auditor

(Millions of yen)

	Amount of Compensations Paid
Compensations paid for the fiscal year under review	116
Total of cash and other economic benefits payable by the Company and its subsidiaries to the Accounting Auditor	312

Notes: 1. Figures less than one million yen are rounded down to the nearest million.

2. The audit agreement entered into by MOL and the Accounting Auditor does not clearly distinguish the amount being derived from the audit under the Companies Act and that which is being derived from the audit under the Financial Instruments and Exchange Act and cannot practically distinguish between the two types, therefore, the amount of compensations paid to the Accounting Auditor for the fiscal year under review is the total of these amounts.

3. The Audit & Supervisory Board of the Company has given its consent to the compensations to the Accounting Auditor for the fiscal year under review as stipulated in Article 399, paragraph (1) of the Companies Act, after the Board reviewed the descriptions in the audit plan, the Accounting Auditor’s performance of its duties, the basis for calculating the estimated compensation, audit hours, and historical changes of compensations and other factors, and concluded that the compensations to the Accounting Auditor for the fiscal year under review are appropriate in view of efficiency of the audit and quality of audit delivered.

(3) Contents of Non-audit Services

The Company has entrusted to the Accounting Auditor support services relating to finance due diligence, which are services other than those stipulated in Article 2, paragraph (1) of the Certified Public Accountants Act (non-audit services).

(4) Company Policy for Decisions on Dismissal or Non-reappointment of Accounting Auditor

In case the Accounting Auditor is considered to be within the circumstances stipulated in any of items of Article 340, paragraph (1) of the Companies Act, the Audit & Supervisory Board shall dismiss the Accounting Auditor by consent of all audit & supervisory board members.

In addition to the above, in the case when there is any event that undermines eligibility or credibility as the Accounting Auditor, when it is considered difficult for the Accounting Auditor to properly perform an accounting audit, when it is considered reasonable to change the Accounting Auditor in order to improve the appropriateness of the accounting audit, or when the Company concludes that it is appropriate to dismiss or not to reappoint the Accounting Auditor in comprehensive consideration of the Accounting Auditor’s performance of its duties and other various factors, the Audit & Supervisory Board decides details of an agenda concerning dismissal or non-reappointment of the Accounting Auditor and requests the Board of Directors to include that agenda in the agenda of the general meeting of shareholders.

The Board of Directors, upon request from the Audit & Supervisory Board, decides to include the said agenda in the agenda of the general meeting of shareholders.

6. System to Secure Properness of Operations

(1) Outline of the system to secure the properness of operations

The following is a summary of details of the decision on the system to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation, and the system to secure properness of other operations of the Company.

(Last revision: April 28, 2017)

i) System to Ensure that the Execution of Duties by the Directors and Executive Officers Complies with Laws and Regulations and the Articles of Incorporation

<Compliance>

(a) The Group not only complies with laws and regulations and the articles of incorporation but also advocates an “open and visible management style that is guided by the highest ethical and social standards” as one of its corporate principles. The Company formulates the Compliance Policy as a basis of the compliance system and establishes a Compliance Committee, which is headed by a Chief

Compliance Officer (CCO) appointed by the Board of Directors to develop and maintain the compliance system through regular monitoring.

(b) The Company ensures that officers and employees comply with the code of conduct stipulated in Article 5 of the Compliance Policy, with a focus on compliance with overseas competition laws, taking a stringent and resolute attitude toward antisocial forces, prohibition of insider trading, prohibition of bribery, preservation of confidential information on customers and companies, etc. and prohibition of discrimination and harassment.

(c) The Company provides training by job rank and category and implements e-learning with respect to various laws and regulations and rules such as the Antimonopoly Act, the Financial Instruments and Exchange Act and the Unfair Competition Prevention Act as well as the Company regulations for all officers and employees to prevent compliance violations and take remedial actions while ensuring that officers and employees are fully aware of compliance and improving the level of such awareness.

(d) Based on the Compliance Policy, the Company develops and operates a reporting and consultation system by establishing a service desk for reports and consultation on violation of compliance rules as well as a compliance advisory service desk provided by an outside attorney. The Company guarantees that reports and consultations concerning compliance violations by officers or employees are held in strict confidence and any individual initiating such report or consultation will not suffer any disadvantageous treatment for such report or consultation made.

<Corporate governance>

(e) The Board of Directors consisting of internal directors and outside directors secures its proper operations with rules of the Board of Directors, supervises execution of duties by directors and prevents compliance violations. Also directors are involved in the highest level of policymaking regarding all aspects of corporate management through the Board of Directors, and, as members of the Board of Directors, they supervise and encourage executive officers to execute business.

(f) The Executive Committee set up by the Board of Directors deliberates to enable the President, Chief Executive Officer to decide important issues on basic management plans and execution of business, based on uppermost policies decided by the Board of Directors.

(g) The Board of Directors shall make efforts to create an environment which enables the audit & supervisory board members to audit the performance of duties by directors and executive officers in accordance with auditing policies stipulated in the rules of the Audit & Supervisory Board and the standards of audit by the audit & supervisory board members, and enables the audit & supervisory board members to fulfill policies stipulated in other laws and regulations.

(h) The Internal Audit Office is established, and is directed only by the Executive Committee as an internal audit department and independent from any other positions.

ii) System to Ensure Objectivity and Transparency of Personnel Affairs and the Process for Determining Remuneration for the Directors and Executive Officers

(a) For the purpose of improving objectivity and transparency in procedures for nomination of directors and executive officers as well as determination of their remunerations, etc. and reinforcing accountability, the Company establishes Nomination Advisory Committee and Remuneration Advisory Committee under the Board of Directors.

(b) Nomination Advisory Committee and Remuneration Advisory Committee comprise a chairman, a president, and all independent outside directors respectively. The chairpersons of the committees shall be elected from independent outside directors by a resolution of the Board of Directors.

(c) Nomination Advisory Committee shall deliberate matters concerning appointment or removal of directors and executive officers in response to a consultation by the Board of Directors and make a recommendation to the Board of Directors.

(d) Remuneration Advisory Committee shall deliberate matters concerning remuneration for directors and executive officers and their treatment in response to a consultation by the Board of Directors and makes a recommendation to the Board of Directors.

(e) The Board of Directors shall respect recommendations from Nomination Advisory Committee and Remuneration Advisory Committee.

iii) System Concerning the Preservation and Management of Information on Execution of Duties by Directors and Executive Officers

(a) Information on execution of duties by directors and executive officers is properly preserved and managed during a specified period in accordance with the rules of document management in the case of documents and the rules of electronic information security in the case of electronic information.

(b) Directors and audit & supervisory board members may access to these documents at any time.

iv) Rules and Other Systems Concerning Management of Risk that May Cause Losses

In preparation for major risks that may cause losses, the Company establishes the following control systems, and the Executive Committee functions as a body to comprehensively manage all risks.

(a) Risks concerning maritime shipping market trends

In the marine transportation field, the Company's principal business, the shipping tonnage supply-demand is influenced by trends in the volume of global seaborne trades and supply of vessels, and freight rates and charter hire rates fluctuate. Hence, such material issues as investment in ships and others are brought to a decision-making body, after the Investment and Finance Committee set up as a primary deliberative organ of the Executive Committee understands, analyzes and evaluates risks.

(b) Safe operation of ships

The Operational Safety Committee, that has been set up as a subordinate organ of the Executive Committee and led by the President, Chief Executive Officer, reviews and deliberates issues concerning safe operation based on the rules of the Operational Safety Committee, in order to secure and thoroughly implement the safe operation of ships. Should an accident occur, it prevents damage from expanding and protects the environment in accordance with the rules of the Emergency Control Headquarters.

(c) Market risks

Market risks including fluctuations of bunker prices, exchange rates and interest rates are reduced with appropriate management based on the rules of market risk management.

v) System to Secure Efficient Execution of Duties by Directors and Executive Officers

(a) The Board of Directors meets approximately 10 times per year with appropriate intervals between meetings, and as necessary. Material matters to be brought to the Board of Directors are, in general, deliberated in the Executive Committee in advance based on the rules of the Board of Directors.

(b) The Executive Committee consists of members appointed by the President, Chief Executive Officer and approved by the Board of Directors. The Executive Committee meets once a week in general, and as necessary, based on the rules of the Executive Committee. Furthermore, if required, the Executive Committee sets up a subcommittee to consult about necessary matters.

(c) Executive officers are appointed by the Board of Directors, take over authorities transferred by representative directors based on rules of executive officers, and perform their duties in accordance with the uppermost policies decided by the Board of Directors regarding all aspects of corporate management, based on the division of duties by organization and the administrative authority of each position stipulated in the organizational rules.

vi) System to Secure the Reliability of Financial Reporting

(a) In attempt to secure appropriate accounting and enhance the reliability of financial reporting, the rules for accounting shall be prescribed while a system of internal control over financial reporting shall be established and steps shall be taken to enhance the effectiveness of the system.

(b) The Internal Audit Office evaluates the effectiveness of internal control over financial reporting. The department receiving the evaluation implements measures for correction or improvement as necessary.

vii) System to Secure the Propriety of Business Carried Out by the Group Consisting of the Company and its Subsidiaries

(a) In an attempt to secure the propriety of business carried out by the Group companies, the group corporate principles are advocated, and each Group company prescribes various rules based on it.

(b) With regard to the business management of the Group companies, the status of executing business operations at each company shall be supervised based on the management plan and annual budget of the entire Group. In addition, a division of the Company shall be established to be responsible for the business management of each Group company, depending on the nature of each company's business operation. Based on the rules of the Group companies' business management, a head of the division shall receive necessary reports in a timely manner from directors, etc. of the Group companies to properly understand the management status and business risks. In addition, the head of the division shall require the Group companies to carry out material matters about management of the Group companies with the Company's approval, and allocate necessary managerial resources in a timely and appropriate manner to ensure that directors, etc. of the Group companies will perform their duties efficiently. For the Group companies classified as quasi internal organizations in accordance with the organizational rules, however, a relevant officer shall perform the said procedures, instead of the head of the division.

(c) To secure compliance among the Group companies, each Group company prescribes various rules conforming to the Company's Compliance Policy including the code of conduct. The Compliance Advisory Service Desk provides officers and employees of the Group companies with consultation service, about the compliance program as properly applicable to the entire Group. The Company requests the Group companies to guarantee that reports and consultations concerning compliance violation by officers or employees of the Group are held in strict confidence and any individual initiating such report or consultation will not suffer any disadvantageous treatment for such report or consultation made.

(d) As for the audits of the Group companies, each Group company appropriately establishes an internal audit system, and the Internal Audit Office of the Company conducts internal audits of the Group companies on a periodical basis and as necessary based on the internal audit rules.

viii) Dedicated Staff Members to Assist in the Audit & Supervisory Board Members' Duties and Their Independence

(a) The Audit & Supervisory Board Member Office is established to assist in the audit & supervisory board members' duties, and assistants for audit & supervisory board members are appointed among the Company's employees.

(b) Personnel evaluation of assistants for audit & supervisory board members is conducted by the audit & supervisory board members, and the transfer of assistants for audit & supervisory board members is decided with approval of the Audit & Supervisory Board.

(c) In general, assistants for audit & supervisory board members shall not be concurrently involved in business execution.

ix) System Concerning Reports to the Audit & Supervisory Board Members Including a Reporting System from Directors, Executive Officers, Employees and Others Concerning Reports to the Audit & Supervisory Board Members, and System to Ensure that the Audit is Effectively Conducted by the Audit & Supervisory Board Members

(a) Rules are prescribed on matters to be reported to the audit & supervisory board members by directors, executive officers and employees. Based on those rules, directors, executive officers and employees shall report to the audit & supervisory board members on material matters that may have an impact on the Company's businesses or performance. Directors, audit & supervisory board members, executive officers and employees of the Group companies may report to the audit & supervisory board members on material matters that may have an impact on businesses or performance of the Company or the Group.

(b) By maintaining the appropriate operation of reporting and consultation service systems based on the Compliance Policy, the appropriate reporting system to the audit & supervisory board members on issues concerning compliance such as violation of laws is secured. The Company guarantees that reports to and consultations with any audit & supervisory board member concerning compliance violation by officers or employees of the Group are held in strict confidence and any individual initiating such report or consultation will not suffer any disadvantageous treatment for such report or consultation made.

(c) Representative directors make efforts to have regular meetings with the audit & supervisory board members.

(d) The Internal Audit Office shall cooperate in the effective implementation of the audit by the audit & supervisory board members, while keeping in contact and coordinating with the audit & supervisory board members.

(e) When an audit & supervisory board member requests an advance payment for expenses, etc. relating to execution of their duties in accordance with Article 388 of the Companies Act, such expense or liability requested to be paid shall be processed accordingly unless such expense or liability requested to be paid is deemed unnecessary for executing duties of the audit & supervisory board member.

(2) Overview of Status of Operating System to Secure Properness of Operations

The Company has been appropriately managing the system to secure properness of operations of the Company as described above. There are no issues to report.

The following is an overview of the status of the operating system to secure the appropriateness of operations.

i) Compliance

(a) MOL has internal regulations including the code of conduct for officers and employees of the Company and the Compliance Policy. The Company also holds internal training, seminars, e-learning training, and other learning activities for officers and employees to provide a better understanding of those rules and their awareness of compliance.

(b) The Company has appointed Compliance Officers who are responsible for enforcing compliance regulations within divisions and offices, and Chief Compliance Officer who is accountable for developing and strengthening the compliance structure, as well as supervising Compliance Officers, thereby clarifying the personnel accountable for compliance. In addition, the Company has established the Compliance Committee as a subordinate organization of the Executive Committee. The Compliance Committee holds regular meetings and acts to enhance and strengthen the compliance structure across the Company, as well as make decisions on measures for compliance violations.

(c) The Company has established an internal Compliance Advisory Service Desk, which handles consultations and reports from officers and employees of the Company and the Group companies, as well as an external Compliance Advisory Service Desk. In the event compliance violations are reported or identified, the desks immediately take the necessary measures. In addition, they ensure that reports and consultations are held in strict confidence, and do not become the basis for any disadvantage treatment.

ii) Corporate Governance

(a) The Board of Directors, as the Company's primary decision-making body, discusses and decides the most important matters connected with MOL Group management, as well as supervises business operations. The Board of Directors held 11 meetings during the fiscal year under review.

(b) The Board of Directors comprises Chairman, President, and all independent outside directors to ensure the further effectiveness of the supervision of executive directors by independent outside directors. The Company established the Nomination Advisory Committee and the Remuneration Advisory Committee, both of which have a majority of members comprising independent outside directors. These Committees discuss matters related to the selection and dismissal of directors and executive officers, remuneration and their treatment, and report to the Board of Directors.

(c) In a bid to make the Board of Directors focus on critical matters, important matters in basic business plans and execution of business operations are discussed and determined by the Executive Committee, which generally meets weekly. Executive officers appointed by the Board of Directors and delegated authority from the Representative Director execute operations based on decisions made by the Executive Committee, thereby enhancing efficiency and accelerating business execution.

(d) The Company and the Group companies regularly report the status of their businesses at important internal meetings including meetings of the Board of Directors and the Executive Committee, and provide timely instructions to relevant divisions on the occurrence of issues and problems requiring solutions.

iii) Risk Management

(a) The Company set up the Investment and Finance Committee as a preliminary deliberative organ of the Executive Committee. The Committee holds a meeting every week, in principle, and understands, analyzes, and evaluates risks, reporting the results to the Board of Directors and the Executive Committee for their decision-making.

(b) Assets of the Company and the Group companies are systematically analyzed in terms of risks of fluctuations of their value, and quantitatively analyzed results are reported to the Board of Directors regularly. After assessing and analyzing the quantitative value of risks provided by reports, the Board of Directors and other decision-making bodies make investment decisions, and control risks for all businesses of the MOL Group.

(c) To prevent risks in shipping operations, MOL conducts regular inspections in accordance with its own safety standards, which are applied to all operating ships, and works on initiatives to secure and develop marine technical specialists who undertake safe operations. While enhancing the safety of operations of MOL Group's vessels through these initiatives, the Company performs research and development and other projects to adopt cutting-edge technologies, including ICT, to supplement its human capacity and secure safe operations.

(d) Pursuant to the provision stipulated in the Japanese Financial Instruments and Exchange Act, MOL evaluates the effectiveness of its internal control operations to secure the credibility of its financial reports, and confirms appropriate operation of its internal control systems.

iv) Management of MOL Group companies

(a) MOL has established regulations including Group Company Management Regulations and Group

Company Management Practical Guidelines, aiming at appropriately managing MOL Group companies. In addition, MOL addresses any important business items of MOL Group companies, as matters to be approved by MOL, as well as receives reports on the progress of their business plans, etc., and provides guidance and advice appropriately, thereby improving the corporate value of the MOL entire group. Furthermore, twice a year, MOL holds a Group Executive Meeting attended by the MOL President, MOL management people, and representatives of MOL Group companies, and enhances the sharing and confirmation of management goals and thorough assurance of compliance regulations. With these initiatives, MOL oversees the business operations of MOL Group companies.

(b) MOL Group companies have formulated their own compliance systems, in accordance with their corporate scales and industrial categories as independent corporations. In the event that MOL Group companies have any incidents regarded as violations of compliance, the companies follow their own internal regulations, immediately act to implement remedies, and take measures to prevent re-occurrence, while MOL takes the necessary actions for reporting to the MOL Compliance Committee, etc.

v) Audit & Supervisory Board Members

(a) The Company has established the Audit & Supervisory Board Office for the Audit & Supervisory Board and supports the duties of audit & supervisory board members, placing one employee to engage exclusively in providing support. To ensure independence from directors and effectiveness of instructions of audit & supervisory board members, audit & supervisory board members conduct the said employee's performance appraisal, and the Audit & Supervisory Board Office concurs with the said employee's transfer.

(b) The Company assures full-time audit & supervisory board members attend meetings of the Executive Committee, Investment and Finance Committee, and other committees, in addition to meetings of the Board of Directors, ensuring the execution of their audits of management discussions and decision-making processes. Furthermore, the Company ensures directors and executive officers have regular meetings with audit & supervisory board members to have a common understanding of management issues and risks, in order to prepare appropriate audit environment.

vi) Internal Audit

MOL draws up an internal audit plan every fiscal year and conducts internal audits of its headquarters offices and domestic and international MOL Group companies, and reports audit results to the Executive Committee. In case internal audit results identify issues and problems requiring remedies, MOL acts to achieve a resolution by giving instructions to relevant divisions appropriately.

[Translation for Reference and Convenience Purposes Only]

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2016
	Amount	Amount
(Assets)		
Current assets	**481,477**	**456,475**
Cash and deposits	177,145	146,260
Trade receivables	130,420	130,293
Marketable securities	12,800	20,000
Inventories	36,358	27,860
Deferred and prepaid expenses	60,888	66,101
Deferred tax assets	1,273	1,449
Other current assets	63,020	65,486
Allowance for doubtful accounts	(428)	(975)
Fixed assets	**1,736,051**	**1,763,112**
(Tangible fixed assets)	**1,323,665**	**1,376,431**
Vessels	756,930	822,269
Buildings and structures	153,767	159,483
Equipment and others	26,630	22,827
Furniture and fixtures	5,366	4,481
Land	221,342	221,614
Construction in progress	156,935	143,342
Other tangible fixed assets	2,693	2,412
(Intangible fixed assets)	**31,287**	**33,483**
(Investments and other assets)	**381,097**	**353,197**
Investment securities	106,350	94,387
Investments in and advances to subsidiaries and affiliates	125,628	120,667
Long-term loans receivable	62,796	49,014
Long-term prepaid expenses	6,824	3,565
Net defined benefit asset	15,390	13,291
Deferred tax assets	3,535	4,422
Other investments and other assets	62,661	69,909
Allowance for doubtful accounts	(2,089)	(2,061)
Total Assets	**2,217,528**	**2,219,587**

[Translation for Reference and Convenience Purposes Only]

(Millions of yen)

	As of March 31, 2017	As of March 31, 2016
	Amount	Amount
(Liabilities)		
Current liabilities	**383,456**	**463,794**
Trade payables	125,118	127,171
Short-term bonds	20,000	45,000
Short-term bank loans	133,155	107,976
Accrued income taxes	6,642	4,871
Advances received	32,258	29,326
Deferred tax liabilities	1,188	711
Allowance for bonuses	4,402	4,484
Allowance for directors' bonuses	153	130
Allowance for loss on business liquidation	2,753	71,007
Allowance for loss on contracts	1,239	8,603
Other current liabilities	56,544	64,508
Fixed liabilities	**1,150,450**	**1,108,868**
Bonds	210,595	220,840
Long-term bank loans	738,163	648,116
Lease obligations	18,371	20,947
Deferred tax liabilities	56,678	81,553
Net defined benefit liabilities	12,445	13,442
Directors' and audit & supervisory board members' retirement benefits	1,459	1,659
Reserve for periodic drydocking	18,566	14,854
Allowance for loss on contracts	226	-
Allowance for environmental measures	620	-
Other fixed liabilities	93,325	107,454
Total Liabilities	**1,533,907**	**1,572,662**
(Net Assets)		
Owners' equity	**459,226**	**458,121**
Common stock	65,400	65,400
Capital surplus	45,382	45,388
Retained earnings	355,263	354,179
Treasury stock	(6,820)	(6,847)
Accumulated other comprehensive income	**112,757**	**82,830**
Unrealized holding gains on available-for-sale securities, net of tax	28,353	20,950
Unrealized gains on hedging derivatives, net of tax	54,326	35,033
Foreign currency translation adjustments	27,178	26,885
Remeasurements of defined benefit plans, net of tax	2,898	(39)
Share subscription rights	**2,447**	**2,681**
Non-controlling interests	**109,190**	**103,292**
Total Net Assets	**683,621**	**646,924**
Total Liabilities and Total Net Assets	**2,217,528**	**2,219,587**

[Translation for Reference and Convenience Purposes Only]

Consolidated Statements of Income

(Millions of yen)

	FY2016 (From April. 1, 2016 to March. 31, 2017) Amount	FY2015 (From April. 1, 2015 to March. 31, 2016) Amount
Shipping and other revenues	**1,504,373**	**1,712,222**
Shipping and other expenses	1,388,264	1,594,568
Gross operating income	**116,109**	**117,653**
Selling, general and administrative expenses	113,551	115,330
Operating profit	**2,558**	**2,323**
Non-operating income		
Interest income	5,918	4,078
Dividend income	6,021	6,131
Equity in earnings of affiliated companies	5,543	9,178
Others	28,054	31,359
Total non-operating income	**45,538**	**50,747**
Non-operating expenses		
Interest expense	19,037	14,576
Others	3,633	2,227
Total non-operating expenses	**22,670**	**16,803**
Ordinary profit	**25,426**	**36,267**
Extraordinary income		
Gain on sale of fixed assets	6,125	9,430
Gain on sales of shares of subsidiaries and associates	20,007	816
Others	9,073	19,764
Total extraordinary income	**35,206**	**30,011**
Extraordinary losses		
Loss on sales, disposal and retirement of fixed assets	2,186	787
Impairment loss	22,273	-
Costs of business structural reforms	6,490	179,290
Others	6,378	40,587
Total extraordinary losses	**37,328**	**220,665**
Income (loss) before income taxes and non-controlling interests	**23,303**	**(154,385)**
Income taxes - current	**13,323**	**11,133**
Income taxes - deferred	**(625)**	**260**
Net income (loss)	**10,605**	**(165,779)**
Profit attributable to non-controlling interests	**5,348**	**4,668**
Profit (loss) attributable to owners of parent	**5,257**	**(170,447)**

[Translation for Reference and Convenience Purposes Only]

Consolidated Statement of Changes in Net Assets

(Millions of yen)

	Owners' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity
Balance at April 1, 2016	**65,400**	**45,388**	**354,179**	**(6,847)**	**458,121**
Changes during the fiscal year					
Issuance of new shares - exercise of subscription rights to shares				4	4
Dividends of surplus			(4,186)		(4,186)
Profit attributable to owners of parent			5,257		5,257
Change of scope of consolidation			36		36
Purchase of treasury stock				(23)	(23)
Disposal of treasury stock			(23)	45	22
Purchase of shares of consolidated subsidiaries		(6)			(6)
Net changes of items other than owners' equity during the year					-
Total changes of items during the year	**-**	**(6)**	**1,083**	**27**	**1,104**
Balance at March 31, 2017	**65,400**	**45,382**	**355,263**	**(6,820)**	**459,226**

[Translation for Reference and Convenience Purposes Only]

(Millions of yen)

	Accumulated other comprehensive income					Share subscription rights	Non-controlling interests	Total Net assets
	Unrealized holding gains on available-for-sale securities, net of tax	Unrealized gains (losses) on hedging derivatives, net of tax	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans, net of tax	Accumulated other comprehensive income			
Balance at April 1, 2016	**20,950**	**35,033**	**26,885**	**(39)**	**82,830**	**2,681**	**103,292**	**646,924**
Changes during the fiscal year								
Issuance of new shares - exercise of subscription rights to shares						(4)		-
Dividends of surplus								(4,186)
Profit attributable to owners of parent								5,257
Change of scope of consolidation								36
Purchase of treasury stock								(23)
Disposal of treasury stock								22
Purchase of shares of consolidated subsidiaries								(6)
Net changes of items other than owners' equity during the year	7,403	19,292	292	2,938	29,926	(228)	5,898	35,596
Total changes of items during the year	**7,403**	**19,292**	**292**	**2,938**	**29,926**	**(233)**	**5,898**	**36,696**
Balance at March 31, 2017	**28,353**	**54,326**	**27,178**	**2,898**	**112,757**	**2,447**	**109,190**	**683,621**

[Translation for Reference and Convenience Purposes Only]

Notes to Consolidated Financial Statements

Significant Matters for Basis of Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 368

(2) Names of principal consolidated subsidiaries are as stated in "1. Matters Concerning the Present State of the Corporate Group, (10) Principal Subsidiaries".

(3) Name of principal non-consolidated subsidiary: Asia Cargo Service Co., Ltd.

(4) Reason for exclusion from the scope of consolidation
Total assets, total operating revenues, net income (based on the Group's equity interest) and retained earnings (based on the Group's equity interest) of non-consolidated subsidiaries are not significant respectively, and do not have a material impact on the consolidated statutory reports.

2. Application of equity method accounting

(1) Number of equity method affiliates: 76

(2) Names of principal equity method affiliates:
Asahi Tanker Co., Ltd.

(3) Name of principal non-consolidated subsidiary that is not accounted under the equity method:
Asia Cargo Service Co., Ltd.

(4) Name of principal affiliate that is not accounted under the equity method:
Sorami Container Center Co., Ltd.

(5) Reason for exclusion from the scope of applying the equity method accounting
Net income and retained earnings (based on the Group's equity interest) of non-consolidated subsidiaries and affiliates that are not accounted under the equity method are not significant.

3. Changes in scope of consolidation and application of equity method

(1) Scope of consolidation
16 companies including Utoc Ryutsu Service Corp., have been newly included in the scope of consolidation from this fiscal year due to the increase in materiality and other reasons. 10 companies including Hermex Distribution B.V., which had been a consolidated subsidiary, were excluded from the scope of consolidation due to their liquidation and other reasons.

(2) Scope of applying the equity method accounting
2 companies including Avium Subsea AS, which is a newly acquired company, have been newly accounted under the equity method from this fiscal year. 2 companies including J.F. Hillebrand Group AG, which had been an equity method affiliate, have been excluded from the scope of equity method application due to sale of shares and other reasons.

4. Significant accounting policies

(1) Bases and methods of valuation of assets

Securities

Trading securities	Market value method (Costs of securities sold are determined based on the moving-average method)
Held-to-maturity debt securities	Amortized cost method
Other securities	
Available-for-sale securities	
with market value	Market value method based on the market price as of the closing date (Unrealized gains/losses are recorded in equity. Costs of securities sold are determined mainly based on the moving-average method)
without market value	Stated at cost mainly based on the moving-average method
Derivative transactions	Market value method
Inventories (Fuel and supplies)	Stated at cost mainly based on the moving-average method (Amounts on the balance sheet are measured at the lower of cost or net realizable value)

(2) Depreciation methods for fixed assets

Tangible fixed assets (excluding leased assets)

Vessels	Mainly straight-line method (Declining-balance method for a part of vessels)
Buildings and structures	Mainly straight-line method
Other tangible fixed assets	Mainly declining-balance method

Intangible fixed assets (excluding leased assets) Straight-line method

Internal use software is depreciated by the straight line method, based on the estimated useful life of 5 years.

Goodwill is amortized equally over 5 years, in general.

Leased assets

Leased assets under finance leases that transfer ownership are depreciated consistently as fixed assets that the Group owns.

Leased assets under finance leases other than those that transfer ownership are depreciated using the straight-line method, based on lease terms and residual value of zero.

Finance leases other than those that transfer ownership, which have commenced prior to March 31, 2008 are accounted for as ordinary rental and lease transactions.

(3) Accounting treatment for deferred assets

Bond issue expenses	Expensed as incurred
Stock issue expenses	Expensed as incurred

(4) Accounting for allowances

Allowance for doubtful accounts

Allowance for general receivables is based on historical default rate.

Allowance for specific receivables, such as individual doubtful receivables, is based on the individual likelihood of default.

Allowance for bonuses

Allowance for bonuses to employees is based on the estimated amount of future payments attributed to the fiscal year.

Allowance for directors' bonuses

The Company and several domestic consolidated subsidiaries record allowances for bonuses to directors based on the estimated amount of future payments.

Allowance for loss on business liquidation

Allowance for loss on business liquidation is based on the estimated amounts of loss on business liquidation.

Allowance for loss on contracts

Allowance for loss on contracts is based on the estimated amounts of loss on contracts with future higher probability of loss to be incurred due to a decision made over contracts, etc.

Allowance for directors' and audit & supervisory board members' retirement benefits

Several domestic consolidated subsidiaries record allowances for payments of retirement benefits to directors and audit & supervisory board members based on amounts to adequately cover payments at the end of the fiscal year, in accordance with internal regulations.

Allowance for periodic drydocking

Allowance for periodic drydocking is based on the estimated amount of repairs of vessels.

Allowance for environmental measures

Allowance for disbursement associated with polychlorinated biphenyl (PCB) waste is based on the estimated amounts of future obligations.

(5) Recognition of freight revenues and related expenses

Containerships:	Recognized by the multiple transportation progress method.
Vessels other than containerships:	Recognized mainly by the completed-voyage method.

(6) Hedge accounting

Hedge accounting

The Company mainly adopts deferral hedge accounting. The Company adopts special accounting rules for interest swaps that meet the requirements of special accounting rules.

Hedging instruments and hedged items

Means for hedging	Hedged items
Loans payable in foreign currencies	Future transactions in foreign currencies
Forward foreign exchange contracts	Future transactions in foreign currencies
Currency option contracts	Future transactions in foreign currencies
Currency swap contracts	Charter fees and loans payable in foreign currencies
Interest rate swap contracts	Interest on loans and bonds payable
Interest rate cap contracts	Interest on loans
Fuel oil swap contracts	Fuel oil
Freight futures	Freight

Hedging policy

The hedging derivative transactions are executed and managed by the Company mainly in accordance with established policies, "Market Risk Management Policy" and "Guideline for Market Risk Management," clarifying hedged items by individual case, in order to hedge risks of currency exchange rate fluctuations, interest rate fluctuations, or changes in prices against relevant hedged items.

Method of evaluating the effectiveness of hedges

The Company evaluates hedge effectiveness mainly by comparing the cumulative changes in cash flows from or the changes in fair value of hedged items, and the cumulative changes in cash flows from or the changes in fair value of hedging instruments during the period from commencement of hedging to the point of evaluating effectiveness, based on changes in both amounts and others. As for interest swap contracts meeting the requirement for special treatment, the evaluation of hedge effectiveness is omitted.

(7) Interest expense is generally expensed as incurred. However, interest expense for assets which are constructed over a long term and are significant in terms of investment, is included in acquisition cost.

(8) Other significant matters for the preparation of consolidated financial statements

Accounting for retirement benefits

Net defined benefit assets/liabilities are recorded based on estimates of retirement benefit obligations and pension assets as of the end of the fiscal year. Unrecognized actuarial gains/losses are amortized by the straight-line method over a period that does not exceed the employees' estimated remaining service period (generally 10 years) from the next fiscal year. Prior service costs are generally expensed as incurred.

Accounting for consumption taxes

Consumption tax and similar local taxes are excluded from income and expense.

Notes to Changes in Accounting Policies

(Adoption of Practical Solution on a change in depreciation method due to Tax Reform 2016)

In accordance with the revision to the Corporation Tax Act, the Group has adopted the "Practical Solution on a change in depreciation method due to Tax Reform 2016" (ASBJ Practical Issues Task Force No. 32, issued on June 17, 2016) and changed the depreciation method for buildings and accompanying facilities and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method from this fiscal year. The effects of this change to Operating profit, Ordinary profit, and Income (loss) before income taxes and non-controlling interests are immaterial.

Notes to Changes in Presentations

(Consolidated statements of income)

Gain on sale of shares of subsidiaries and associates, which was included in "Others" in Extraordinary income in the previous fiscal year, is separately disclosed in this fiscal year, due to the increase in materiality. Gain on sale of shares of subsidiaries and associates in the previous fiscal year was ¥816 million.

Gain on sale of investment securities (¥2,249 million in this fiscal year) and Gain on cancellation of chartered vessels (¥41 million in this fiscal year) which were separately disclosed in the previous fiscal year, are included in "Others" in Extraordinary income in this fiscal year, due to the decrease in materiality.

Notes to Additional Information

(Adoption of the Implementation Guidance on Recoverability of Deferred Tax Assets)

The Group has adopted the "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26 issued on March 28, 2016) from this fiscal year.

(Conclusion of agreements on the integration of container shipping businesses)

Following a resolution passed at a meeting of the Board of Directors on October 31, 2016, MOL concluded a business integration contract and a shareholder agreement with Nippon Yusen Kabushiki Kaisha and Kawasaki Kisen Kaisha, Ltd., subject to regulatory approval from the authorities, on establishing a joint-venture company to integrate container shipping businesses (hereinafter the "Integration"). An overview of the Integration is as follows.

(1) Overview of Integration

Although growing modestly, the container shipping industry has struggled in recent years due to a decline in container growth rate and a rapid influx of newly built vessels. These two factors have contributed to an imbalance of supply and demand, which has destabilized the industry and has created an environment that is adverse to container line profitability. To combat these factors, industry participants have sought to gain economies of scale through mergers and acquisitions and, consequently, the structure of the industry is changing through consolidation. Under these circumstances, MOL has decided on a business integration to secure stable and sustainable operations of the container shipping businesses.

(2) Overview of the joint-venture company (planned)

i) Shareholders/Contribution Ratio:	Mitsui O.S.K. Lines, Ltd.	31%
	Kawasaki Kisen Kaisha, Ltd.	31%
	Nippon Yusen Kabushiki Kaisha	38%
ii) Amount of contribution	Approx. ¥300 billion (including fleets, share of terminals as investment in kind)	
iii) Business domain	Container shipping business (including terminal operating business excluding Japan)	
iv) Fleet size	Approx. 1.4 million TEU (*) Note: Figures are total fleet size of three companies as of October 2016 (excluding undelivered orders). (*TEU: Twenty-foot Equivalent Unit)	

(3) Schedule

i) Agreement date:	October 31, 2016
ii) Establishment of the new-joint venture company:	July 1, 2017 (planned)
iii)Business commencement:	April 1, 2018 (planned)

Notes to Consolidated Balance Sheets

1. Breakdown and amounts of inventories

Raw materials and supplies	34,684 million yen
Other	1,674 million yen

2. Assets pledged as collateral and secured obligations

(1) Assets pledged as collateral

Vessels	216,193 million yen
Investment securities	30,507 million yen
Equity securities issued by subsidiaries and affiliates	52,522 million yen
Total	299,222 million yen

(2) Secured obligations

Short-term loans	12,175 million yen
Long-term loans	160,119 million yen
Total	172,294 million yen

Pledged investment securities and equity securities issued by subsidiaries and affiliates include the following:

a) Investment securities of ¥30,426 million and equity securities issued by subsidiaries and affiliates of ¥15,429 million are pledged as collateral to secure losses that could arise if the Company and subsidiaries/affiliates cause oil pollution accidents in U.S. waters. As of March 31, 2017 there are no outstanding liabilities. ¥15,429 million of equity securities issued by subsidiaries and affiliates are equity securities issued by consolidated subsidiaries, which do not appear on the consolidated balance sheets.

b) Equity securities issued by subsidiaries and affiliates of ¥37,092 million are pledged as collateral to secure long-term loans of subsidiaries/affiliates and future payment of charter hire.

c) Investment securities of ¥81 million are pledged as collateral for long-term loans associated with LNG carrier projects.

3. Accumulated depreciation of tangible fixed assets 885,171 million yen

4. Contingent liabilities

Guarantee liabilities, etc. 159,430 million yen

(Guarantee liabilities in foreign currency included in above 141,457 million yen)

5. Others

(1) Litigation

On January 10, 2014, the Company filed a lawsuit against Mitsubishi Heavy Industries, Ltd. (hereinafter “MHI”) at Tokyo District Court seeking compensation for damages in association with a maritime accident caused by a vessel constructed by said company. In response, MHI filed a countersuit at Tokyo District Court seeking payment for reinforcement of the strength of the ship’s hull of the same type of ship, and the legal dispute is continuing.

The Company recognizes the claims of the countersuit by MHI as unjust, and intends to assert the propriety of the Company in addition to upholding the claims for damages under the lawsuit.

(2) Others

The Group is subject to investigations by overseas competition law authorities including those of the U.S. and Europe for violation of competition laws of those countries regarding price control negotiations for ocean transport services of completely built-up vehicles. In addition, a class-action lawsuit was filed in the U.S. and other countries against the Group for damage claims and for a cease and desist order for the questioned conduct. Meanwhile, the effect of these investigations and lawsuit on the financial results of the Group is uncertain as its financial impact is not estimable at this stage.

Notes to Consolidated Statement of Changes in Net Assets

1. Class and total number of issued and outstanding shares as of the end of this fiscal year

Class: Common stock

Total number of shares: 1,206,286,115 shares

2. Class and number of shares of treasury stock as of the end of this fiscal year

Class: Common stock

Number of shares: 10,231,846 shares

3. Dividends distribution of surplus

(1) Dividends paid

Resolution	Class of stock	Total dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders June 21, 2016	Common stock	1,794	1.5	March 31, 2016	June 22, 2016
Board of Directors’ Meeting October 31, 2016	Common stock	2,392	2.0	September 30, 2016	November 22, 2016

4. Class and number of shares subject to the share subscription rights at the end of the fiscal year

(Excluding share subscription rights yet to be effective)

Class: Common stock

Total number of shares: 12,716,000 shares

[Translation for Reference and Convenience Purposes Only]

Notes on Financial Instruments

1. Qualitative information on financial instruments

To acquire vessels and other fixed assets, the Group raises capital investment primarily by bank loans and bonds. In addition, the Group raises short-term working capital primarily by bank loans. Furthermore, the Group has commitment lines with Japanese banks to maintain sufficient sources of working capital and secure necessary liquidity in case of emergency situations.

Trade receivables are exposed to the credit risks of customers. The Group mitigates such risks by performing operations in accordance with internal regulations. In addition, trade receivables denominated in foreign currencies are exposed to the foreign currency exchange rate risks. The Group avoids this risk mainly by using exchange forward contracts to cover net trade receivables and payables denominated in foreign currencies. Investment securities are mainly stocks of companies which the Group has business relationships with. Fair value of listed stock is measured at market value on a quarterly basis.

Trade payables are due within a year. Short-term loans are primarily used to raise short-term working capital, while long-term loans and bonds are mainly used to raise necessary funds for capital investments. Although several items have variable interest rates and therefore are exposed to volatility risks, the Group uses derivative financial instruments (interest rate swaps and Interest rate cap contracts) to fix certain portions of such variable interest rates. Long-term loans denominated in foreign currencies are exposed to foreign currency exchange rate risks; however, currency swaps are set for a portion of such loans to minimize the risks. Derivatives are used to hedge risks as discussed above and are executed to manage risks related to actual demand. In accordance with internal policies ("Market Risk Management Policy" and "Guideline for Market Risk Management"), the Group's policy is not to use derivatives for speculative purposes.

2. Fair values of financial instruments

The book value, fair value, and differences between the two values of financial instruments at end of this fiscal year are as follows:

(Millions of yen)

	Book Value	Fair Value	Difference
(1) Cash and deposits	177,145	177,145	–
(2) Trade receivables	130,420	130,420	–
(3) Marketable securities Available-for-sale securities	12,800	12,800	–
(4) Short-term loans receivable	17,262	17,262	–
(5) Long-term loans receivable (*1)	70,799	74,695	3,896
(6) Investment securities Available-for-sale securities	98,675	98,675	–
(7) Trade payables	125,118	125,118	–
(8) Short-term loans	39,163	39,163	–
(9) Bonds (*2)	230,595	231,949	1,354
(10) Long-term loans (*3)	832,154	849,862	17,708
(11) Derivative financial instruments (*4)	18,745	18,592	(153)

(*1) The book value of long-term loans receivable includes current portion of ¥ 8,002 million.
(*2) The book value of bonds includes current portion of ¥ 20,000 million.
(*3) The book value of long-term loans includes current portion of ¥ 93,991 million.
(*4) Assets and liabilities from derivative financial instruments are net. Negative amounts are stated in [ ].

Notes: 1. Methods used to measure financial instruments at fair value, and issues regarding investment securities and derivative financial instruments are as follows:

(1) Cash and deposits, (2) Trade receivables, and (4) Short-term loans receivable

Fair value of above assets is evaluated at book value since they are settled within a short period and fair value is almost equivalent to book value.

(3) Marketable securities and (6) Investment securities

Fair value of stocks is evaluated at market prices at the stock exchange as of the end of the fiscal year. Fair value of bonds is evaluated at market prices at the stock exchange or at the value provided by financial institutions as of the end of the fiscal year. Fair value of negotiable certificates of deposit is evaluated at book value since they are settled within a short period and fair value is almost equivalent to book value.

(5) Long-term loans receivable

Fair value of long-term loans receivable with variable interest rate is evaluated at book value since the interest rate reflects the market rate in a short term and fair value is almost equal to book value, unless the creditworthiness of the borrower has changed significantly since the loan was made. Fair value of long-term loans receivable with fixed interest rates, for each category of loans based on the type of loans, and maturity length, is evaluated by discounting the total amount of principal and interest using the rate which would apply if similar borrowing were newly made.

(7) Trade payables and (8) Short-term loans

Fair value of above liabilities is evaluated at book value, since they are settled within a short period and fair value is almost equivalent to book value.

(9) Bonds

Fair value of corporate bond is evaluated at market price.

(10) Long-term loans

Fair value of long-term bank loans with variable interest rates is evaluated at book value since fair value is almost equivalent to book value, the interest rate reflects the market rate in a short term and there has been no significant change in the creditworthiness of the Group before and after such bank loans were made. Long-term bank loans with fixed interest rates are classified by their duration, and based on their individual loan type, their fair value is evaluated by discounting the total amount of principal and interest using the rate which would apply if similar bank loans were to be newly made. Fair value of some foreign-currency denominated long-term loans is evaluated at fixed amounts based on the appropriated treatment of currency swap transactions.

(11) Derivative financial instruments

Fair value of derivatives, which are used for hedging purposes, is measured at the value of forward exchange rates as of the end of the fiscal year or offered prices by financial institutions. Since currency swaps, which deferral hedge accounting is applied, are accounted for together with the long-term bank loans being hedged, the fair value is included in the fair value of the relevant hedged item.

2. Financial instruments which fair value are extremely difficult to determine are as follows:

(Millions of yen)

	Book Value
Unlisted stocks	7,662
Others	11
Total	7,674

The above items are not included in the amount presented under the line “(6) Investments securities Available-for-sale securities” in the table summarizing fair value of financial instruments, because the fair value is extremely difficult to determine as they have no quoted market price and the future cash flow cannot be estimated.

Notes on Rental Property

1. Qualitative information on rental property

The Company and certain of its consolidated subsidiaries own real estate for office lease (including land) in Tokyo, Osaka and other areas.

2. Fair value of rental property

(Millions of yen)

Book Value	Fair Value
304,566	458,710

Notes: 1. Book value is acquisition cost less accumulated depreciation.
2. Fair value of major properties is based on the valuation of independent real estate appraisers. For other properties, fair value of land is adjusted using an index that reflects market price properly. Fair value of depreciable assets such as buildings is the amount recorded on the consolidated balance sheets.

Per-share Information

1. Net assets per share 478.23 yen
2. Net income per share 4.40 yen

Significant Subsequent Events

At the Board of Directors meeting held on April 28, 2017, the Company resolved to propose a change in the number of shares constituting one unit, consolidation of shares, and a partial amendment to its Articles of Incorporation at the Annual General Meeting of Shareholders scheduled to be held on June 27, 2017.

1. Objectives of consolidation

Following the guidelines issued by Japanese Stock Exchanges in their “Action Plan for Consolidating Trading Units” with the aim of unifying the trading units of common shares at 100 shares, the Company decided to change the number of shares constituting one unit of shares, which will be the Company’s share trading unit, from 1,000 shares to 100 shares, effective October 1, 2017. In conjunction with the change, the Company will consolidate its shares so that every 10 shares are consolidated into one share with the purpose of minimizing the impact on the rights of shareholders following the change in the number of shares constituting one unit.

2. Particulars of consolidation

(1) Class of shares to be consolidated
Common shares

(2) Consolidation ratio
On October 1, 2017, every 10 shares held by shareholders listed or recorded on the final register of shareholders of September 30, 2017, will be consolidated into one share.

(3) Number of shares to be consolidated

Outstanding shares before consolidation (as of March 31, 2017)	Common shares	1,206,286,115 shares
Number of shares reduced through consolidation (Note)	Common shares	1,085,657,504 shares
Outstanding shares after consolidation (Note)	Common shares	120,628,611 shares

Note: “Number of shares reduced through consolidation” and “Outstanding shares after consolidation” are theoretical values calculated by multiplying “Outstanding shares before consolidation” by the consolidation ratio.

3. Treatment of cases of a fraction constituting less than one share

In case a fraction constituting less than one share arises as a result of share consolidation, the Company will liquidate all such fractional shares in a lump based on the provisions in Articles 235 of the Companies Act, and the proceeds from the sale will be distributed to shareholders who hold fractional shares, in accordance with the percentages of said fractions.

4. Impact on per-share information

Per share information in this fiscal year calculated as though the said consolidation of shares was conducted at the beginning of this fiscal year is presented as follows.

(1) Net assets per share	4,782.25 yen
(2) Net income per share	43.95 yen

Other Notes

Figures less than one million yen are rounded down to the nearest million.

[Translation for Reference and Convenience Purposes Only]

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2016
	Amount	Amount
(Assets)		
Current assets	**355,273**	**293,099**
Cash and deposits	115,443	81,798
Trade receivables	85,166	74,680
Short-term loans receivable	34,245	31,886
Advances	4,910	4,115
Marketable securities	12,800	20,000
Inventories	27,241	16,985
Deferred and prepaid expenses	44,838	36,859
Receivable from agencies	15,074	11,086
Other current assets	15,880	16,272
Allowance for doubtful accounts	(326)	(585)
Fixed assets	**700,478**	**666,471**
(Tangible fixed assets)	**128,668**	**126,525**
Vessels	77,207	86,486
Buildings	10,320	10,506
Structures and equipment	520	338
Vehicles and transportation equipment	18	42
Equipment, mainly containers	1,095	523
Land	16,694	16,694
Construction in progress	20,650	10,216
Other tangible fixed assets	2,161	1,716
(Intangible fixed assets)	**12,182**	**13,227**
(Investments and other assets)	**559,627**	**526,718**
Investment securities	78,250	69,603
Investments in and advances to subsidiaries and affiliates	224,908	211,648
Long-term loans receivable	163,035	150,294
Long-term prepaid expenses	12,087	12,621
Long-term lease receivables	82,959	80,452
Other investments and other assets	10,786	12,513
Allowance for doubtful accounts	(12,399)	(10,415)
Total Assets	**1,055,752**	**959,570**

[Translation for Reference and Convenience Purposes Only]

(Millions of yen)

	As of March 31, 2017	As of March 31, 2016
	Amount	Amount
(Liabilities)		
Current liabilities	**317,710**	**388,033**
Trade payables	102,086	91,333
Short-term bonds	20,000	30,000
Short-term bank loans	141,909	157,830
Other payables	11,336	1,398
Advances received	25,346	17,993
Payable to agencies	2,725	1,940
Allowance for bonuses	1,775	1,784
Allowance for directors' bonuses	18	-
Allowance for loss on business liquidation	2,753	-
Allowance for loss on liquidation of subsidiaries and affiliates	-	77,744
Allowance for loss on contracts	1,145	4,223
Other current liabilities	8,614	3,784
Fixed liabilities	**501,671**	**326,964**
Bonds	130,595	150,840
Long-term bank loans	314,992	142,702
Long-term other payables	23,988	2,617
Deferred tax liabilities	12,809	10,491
Allowance for employees' severance and retirement benefits	8	8
Allowance for loss on guarantees	7,754	6,107
Allowance for loss on contracts	226	-
Other fixed liabilities	11,295	14,197
Total Liabilities	**819,382**	**714,997**
(Net Assets)		
Owners' equity	**212,081**	**226,214**
Common stock	65,400	65,400
Capital surplus	44,371	44,371
Additional paid-in capital	44,371	44,371
Retained earnings	109,131	123,291
Legal earnings reserve	8,527	8,527
Other retained earnings	100,604	114,764
Reserve for special depreciation	4	177
Reserve for overseas investment loss	-	14
Reserve for advanced depreciation	944	966
General reserve	111,630	294,630
Retained earnings (losses) brought Forward	(11,975)	(181,023)
Treasury stock	(6,822)	(6,849)
Accumulated gains from valuation and translation adjustments	**21,840**	**15,677**
Unrealized holding gains on available-for-sale securities, net of tax	24,480	18,475
Unrealized gains (losses) on hedging derivatives, net of tax	(2,639)	(2,797)
Share subscription rights	**2,447**	**2,681**
Total Net Assets	**236,370**	**244,572**
Total Liabilities and Total Net Assets	**1,055,752**	**959,570**

[Translation for Reference and Convenience Purposes Only]

Non-consolidated Statements of Income

(Millions of yen)

	FY2016 (From April. 1, 2016 to March. 31, 2017)	FY2015 (From April. 1, 2015 to March. 31, 2016)
	Amount	Amount
Shipping and other operating revenues		
Shipping revenues		
Freight	786,616	917,953
Charter fees	229,934	244,658
Other shipping revenues	34,700	36,795
Total	**1,051,251**	**1,199,407**
Other operating revenue	949	1,111
Total shipping and other operating revenues	**1,052,200**	**1,200,518**
Shipping and other operating expenses		
Shipping expenses		
Voyage expenses	457,251	527,566
Vessels	14,973	13,449
Charter fees	453,985	501,015
Other shipping expenses	118,453	139,305
Total	**1,044,663**	**1,181,337**
Other operating expenses	668	814
Total shipping and other operating expenses	**1,045,332**	**1,182,152**
Gross operating income	**6,868**	**18,366**
Selling, general and administrative expenses	34,319	32,621
Operating profit (loss)	**(27,450)**	**(14,255)**
Non-operating income		
Interest and dividend income	44,402	21,876
Gain on sale of containers	-	3,905
Exchange gains	2,989	-
Others	1,433	1,224
Total non-operating income	**48,825**	**27,006**
Non-operating expenses		
Interest expense	5,894	3,319
Exchange losses	-	2,451
Others	2,360	1,288
Total non-operating expenses	**8,254**	**7,060**
Ordinary profit	**13,119**	**5,691**
Extraordinary profits		
Gain on sales of fixed assets	26	2,608
Gain on sales of investment securities	1,484	12,839
Gain on sales of securities issued by subsidiaries and affiliates	6	456
Gain on liquidation of subsidiaries and affiliates	30	721
Reversal of allowance for doubtful accounts	31	17
Cancellation fee for chartered vessels	41	405
Reversal of allowance for loss on liquidation of subsidiaries and affiliates	4,176	-
Others	570	2,480
Total extraordinary profits	**6,368**	**19,528**
Extraordinary losses		
Loss on disposal of fixed assets	700	467
Loss on valuation of securities issued by subsidiaries and affiliates	12,751	38,062
Provision of allowance for loss on guarantees	3,073	-
Provision of allowance for doubtful accounts	2,467	-
Impairment loss	5,280	-
Costs of business structural reforms	-	177,645
Others	1,499	3,173
Total extraordinary losses	**25,774**	**219,348**
Income (loss) before income taxes	**(6,285)**	**(194,128)**
Income taxes - current	3,798	(79)
Income taxes - deferred	(134)	(300)
Net income (loss)	**(9,950)**	**(193,748)**

[Translation for Reference and Convenience Purposes Only]

Non-consolidated Statement of Changes in Net Assets

(Millions of yen)

	Owners' equity											
		Capital surplus		Retained earnings								
					Other retained earnings							
	Common stock	Additional paid-in capital	Total capital surplus	Legal earnings reserve	Reserve for special deprecia-tion	Reserve for overseas investment loss	Reserve for advanced deprecia-tion	General reserve	Retained earnings (losses) brought forward	Total retained earnings	Treasury stock	Total owners' equity
Balance at April 1, 2016	**65,400**	**44,371**	**44,371**	**8,527**	**177**	**14**	**966**	**294,630**	**(181,023)**	**123,291**	**(6,849)**	**226,214**
Changes during the fiscal year												
Issuance of new shares - exercise of subscription rights to shares			-							-	4	4
Dividends paid			-						(4,186)	(4,186)		(4,186)
Net income (loss)			-						(9,950)	(9,950)		(9,950)
Reversal of reserve for special depreciation			-		(172)				172	-		-
Reversal of reserve for overseas investment loss			-			(14)			14	-		-
Reversal of reserve for advanced depreciation			-				(21)		21	-		-
Reversal of general reserve			-					(183,000)	183,000	-		-
Purchase of treasury stock			-							-	(23)	(23)
Disposal of treasury stock			-						(23)	(23)	45	22
Net changes of items other than owners' equity during the fiscal year			-							-	-	-
Total changes during the fiscal year	-	-	-	-	**(172)**	**(14)**	**(21)**	(183,000)	**169,048**	**(14,159)**	**27**	**(14,132)**
Balance at March 31, 2017	**65,400**	**44,371**	**44,371**	**8,527**	**4**	**-**	**944**	**111,630**	**(11,975)**	**109,131**	**(6,822)**	**212,081**

[Translation for Reference and Convenience Purposes Only]

(Millions of yen)

	Accumulated gains from valuation and translation adjustments			Share subscription rights	Total Net assets
	Unrealized holding gains on available-for-sale securities, net of tax	Unrealized gains (losses) on hedging derivatives, net of tax	Total accumulated gains from valuation and translation adjustments		
Balance at April 1, 2016	**18,475**	**(2,797)**	**15,677**	**2,681**	**244,572**
Changes during the fiscal year					
Issuance of new shares - exercise of subscription rights to shares			-	(322)	(318)
Dividends paid			-		(4,186)
Net income (loss)			-		(9,950)
Reversal of reserve for special depreciation			-		-
Reversal of reserve for overseas investment loss			-		-
Reversal of reserve for advanced depreciation			-		-
Reversal of general reserve			-		-
Purchase of treasury stock			-		(23)
Disposal of treasury stock			-		22
Net changes of items other than owners' equity during the fiscal year	6,005	158	6,163	88	6,251
Total changes during the fiscal year	**6,005**	**158**	**6,163**	**(233)**	**(8,202)**
Balance at March 31, 2017	**24,480**	**(2,639)**	**21,840**	**2,447**	**236,370**

[Translation for Reference and Convenience Purposes Only]

Notes to Non-consolidated Financial Statements

Notes to Matters for Significant Accounting Policies

1. Bases and methods of valuation of assets

Securities	
Trading securities	Market value method (Costs of securities sold are determined based on the moving-average method)
Held-to-maturity debt securities	Amortized cost method
Equity securities issued by subsidiaries and affiliates	Stated at cost using the moving-average method
Other securities	
Available-for-sale securities	
with market value	Market value method based on the market price as of the closing date (Unrealized gains/losses are recorded in equity. Costs of securities sold are determined based on the moving-average method)
without market value	Stated at cost based on the moving-average method
Derivative transactions	Market value method
Inventories	Stated at cost mainly based on the moving-average method (Amounts on the balance sheet are measured at the lower of cost or net realizable value)

2. Depreciation methods for fixed assets

Tangible fixed assets (excluding leased assets)	
Vessels	Straight-line method
Buildings and structures	Straight-line method
Other tangible fixed assets	Mainly declining-balance method
Intangible fixed assets (excluding leased assets)	Straight-line method Internal use software is depreciated by the straight line method, based on the estimated useful life of 5 years.
Leased assets	Leased assets under finance leases that transfer ownership are depreciated consistently as fixed assets that the Company owns. Leased assets under finance leases other than those that transfer ownership are depreciated using the straight-line method, based on lease terms and residual value of zero.

3. Accounting treatment for deferred assets

Bond issue expenses

Expensed as incurred

Stock issue expenses

Expensed as incurred

4. Accounting for allowances

Allowance for doubtful accounts

Allowance for general receivables is based on historical default rate.
Allowance for specific receivables, such as individual doubtful receivables, is based on the individual likelihood of default.

Allowance for bonuses

Allowance for bonuses to employees is based on the estimated amount of future payments attributed to the fiscal year.

Allowance for directors' bonuses

Allowance for bonuses to directors is based on the estimated amounts of future payments.

Allowance for loss on business liquidation

Allowance for loss on business liquidation is based on estimated amount of loss.

Allowance for loss on contracts

Allowance for loss on contracts is based on the estimated amounts of loss on contracts with future higher probability of loss to be incurred due to decision made over contracts, etc.

Allowance for employees' severance and retirement benefits

Allowance for retirement benefits to employees is based on the estimated amounts of retirement benefit obligations and pension assets as of the end of the fiscal year.
In calculating retirement benefit obligations, the Company uses straight-line attribution as a method of attributing estimates of retirement benefit to a period up to the end of the fiscal year.
Actuarial differences are recognized using the straight-line method within the estimated remaining service period (generally 10 years) commencing with the following period. Prior service cost is accounted for as expenses in lump-sum at the time of occurrence.

Allowance for loss on guarantees

Provided for losses arising from fulfilling guarantee obligations, the Company appropriates a provision for the estimated losses in view of the financial conditions of guaranteed companies.

5. Recognition of freight revenues and related expenses

Containerships:	Recognized by the multiple transportation progress method.
Vessels other than containerships:	Recognized by the completed-voyage method.

6. Hedge accounting

Hedge accounting

The Company adopts deferral hedge accounting.

Special accounting rules are used for interest swaps that meet the requirements of special accounting rules.

Hedging instruments and hedged items

Hedging instruments	Hedged items
Loans payable in foreign currencies	Future transactions in foreign currencies
Forward foreign exchange contracts	Future transactions in foreign currencies
Currency option contracts	Future transactions in foreign currencies
Interest rate swap contracts	Interest on loans and bonds payable
Interest rate cap contracts	Interest on loans
Fuel oil swap contracts	Fuel oil
Freight futures	Freight

Hedging policy

Hedging derivative transactions are executed in accordance with the Company's internal regulations, "Market Risk Management Policy" and "Guideline for Market Risk Management," clarifying hedged items by individual case, in order to hedge risks of currency exchange rate fluctuations, interest rate fluctuations, or changes in prices against relevant hedged items.

Method of evaluating the effectiveness of hedges

In principle, the Company evaluates hedge effectiveness by comparing the cumulative changes in cash flows from or the changes in the fair value of hedged items, and the cumulative changes in cash flows from or the changes in fair value of hedging instruments during the period from commencement of hedging to the point of evaluating effectiveness, based on changes in both amounts and others. As for interest swap contracts meeting the requirement of special treatment, the evaluation of hedge effectiveness is omitted.

7. Interest expense is generally expensed as incurred. However, interest expense for assets which are constructed over a long term and are significant in terms of investment, is included in acquisition cost.

8. The accounting methods for unrecognized actuarial differences relating to retirement benefits are different from those accounting methods in the consolidated financial statements.

9. Consumption tax and similar local taxes are excluded from income and expense.

Notes to Changes in Accounting Policies

(Adoption of Practical Solution on a change in depreciation method due to Tax Reform 2016)

In accordance with the revision to the Corporation Tax Act, the Company has adopted the "Practical Solution on a change in depreciation method due to Tax Reform 2016" (ASBJ Practical Issues Task Force No. 32, issued on June 17, 2016) and changed the depreciation method for buildings and accompanying facilities and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method from this fiscal year. The effects of this change on Operating loss, Ordinary profit, and Loss before income taxes are immaterial.

Notes to Changes in Presentations

(Non-consolidated balance sheets)

"Accrued expenses" (¥2,335 million for this fiscal year), which was separately disclosed in the previous fiscal year, is included in "Other current liabilities" in this fiscal year due to the decrease in materiality. "Accrued expenses" for the previous fiscal year was ¥1,528 million.

"Long-term other payables" which was included in "Other fixed liabilities" in Fixed liabilities in the previous fiscal year, are separately disclosed in this fiscal year due to the increase in materiality.

"Long-term other payables" for the previous fiscal year was ¥2,617 million respectively.

Notes to Additional Information

(Adoption of the Implementation Guidance on Recoverability of Deferred Tax Assets)

The Company has adopted the “Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26 issued on March 28, 2016) from this fiscal year.

(Conclusion of agreements on the integration of container shipping businesses)

Following a resolution passed at a meeting of the Board of Directors on October 31, 2016, MOL concluded a business integration contract and a shareholder agreement with Nippon Yusen Kabushiki Kaisha and Kawasaki Kisen Kaisha, Ltd., subject to regulatory approval from the authorities, on establishing a joint-venture company to integrate container shipping businesses (hereinafter the “Integration”). An overview of Integration is as follows.

(1) Overview of the Integration

Although growing modestly, the container shipping industry has struggled in recent years due to a decline in container growth rate and a rapid influx of newly built vessels. These two factors have contributed to an imbalance of supply and demand, which has destabilized the industry and has created an environment that is adverse to container line profitability. To combat these factors, industry participants have sought to gain economies of scale through mergers and acquisitions and, consequently, the structure of the industry is changing through consolidation. Under these circumstances, MOL has decided the business integration to secure stable and sustainable operations of the container shipping businesses.

(2) Overview of the joint-venture company (planned)

i) Shareholders/Contribution Ratio:	Mitsui O.S.K. Lines, Ltd.	31%
	Kawasaki Kisen Kaisha, Ltd.	31%
	Nippon Yusen Kabushiki Kaisha	38%
ii) Amount of contribution	Approx. ¥300 billion (including fleets, share of terminals as investment in kind)	
iii) Business domain	Container shipping business (including terminal operating business excluding Japan)	
iv) Fleet size	Approx. 1.4 million TEU (*) Note: Figures are total fleet size of three companies as of October 2016 (excluding undelivered orders). (*TEU: Twenty-foot Equivalent Unit)	

(3) Schedule

i) Agreement date:	October 31, 2016
ii) Establishment of the new-joint venture company:	July 1, 2017 (planned)
iii)Business commencement:	April 1, 2018 (planned)

Notes to Non-consolidated Balance Sheets

1. To subsidiaries and affiliates

Short-term monetary lending	64,036 million yen
Long-term monetary lending	165,394 million yen
Short-term monetary debts	131,516 million yen
Long-term monetary debts	518 million yen

2. Accumulated depreciation on tangible fixed assets 203,561 million yen

3. Assets pledged as collateral and secured obligations

(1) Assets pledged as collateral

Vessels	23,564 million yen

Investment securities	30,507 million yen
Equity securities issued by subsidiaries and affiliates	39,858 million yen
Total	93,930 million yen

(2) Secured obligations

Short-term loans	2,075 million yen
Long-term loans	23,486 million yen
Total	25,562 million yen

Pledged investment securities and equity securities issued by subsidiaries and affiliates include the following:

a) Investment securities of ¥30,426 million and equity securities issued by subsidiaries and affiliates of ¥15,429 million are pledged as collateral to secure losses that could arise if the Company and subsidiaries/affiliates cause oil pollution accidents in U.S. waters. As of March 31, 2017 there are no outstanding liabilities.

b) Equity securities issued by subsidiaries and affiliates of ¥24,428 million are pledged as collateral to secure long-term loans of subsidiaries/affiliates and future payment of charter hire.

c) Investment securities at ¥81 million are pledged as collateral for long-term loans associated with LNG carrier projects.

4. Contingent liabilities

Guarantee liabilities, etc.	529,192 million yen
(Guarantee liabilities in foreign currency included in above	348,224 million yen)

5. Others

(1) Litigation

On January 10, 2014, the Company filed a lawsuit against Mitsubishi Heavy Industries, Ltd. (hereinafter "MHI") at Tokyo District Court seeking compensation for damages in association with a maritime accident caused by a vessel constructed by said company. In response, MHI filed a countersuit at Tokyo District Court seeking payment for reinforcement of the strength of the ship's hull of the same type of ship, and the legal dispute is continuing.

The Company recognizes the claims of the countersuit by MHI as unjust, and intends to assert the propriety of the Company in addition to upholding the claims for damages under the lawsuit.

(2) Others

MOL is subject to investigations by overseas competition law authorities including those of the U.S. and Europe for violation of competition laws of those countries regarding price control negotiations for ocean transport services of completely built-up vehicles. In addition, a class-action lawsuit was filed in the U.S. and other countries against MOL for damage claims and for a cease and desist order for the questioned conduct. Meanwhile, the effect of these investigations and lawsuit on the financial results of MOL is uncertain as its financial impact is not estimable at this stage.

Notes to Non-consolidated Statements of Income

Volume of transactions with subsidiaries and affiliates

Volume of operating transactions

Revenues	96,604 million yen
Amount of purchase	325,769 million yen
Transactions other than operating transactions	101,963 million yen

Notes to Non-consolidated Statement of Changes in Net Assets

Class and number of shares of treasury stock as of the end of this fiscal year

Common stock	10,206,405 shares

Notes on Deferred Tax Accounting

Significant components of deferred tax assets and liabilities

	(Millions of yen)
Deferred tax assets	
Loss brought forward	42,808
Retained income of specific foreign subsidiaries	28,450
Voluntary adjustment of loss on valuation of securities issued by subsidiaries and affiliates	59,238
Reserve for bonuses expenses	510
Impairment loss	2,173
Allowance for doubtful accounts	3,632
Allowance for loss on guarantees	3,110
Allowance for loss on business liquidation	784
Allowance for loss on contracts	390
Transfer of charters from subsidiaries and affiliates	8,694
Deemed dividends	11,223
Others	4,629
Total of deferred tax assets	165,648
Valuation allowance	(165,592)
Net deferred tax assets	55
Deferred tax liabilities	
Unrealized gains (losses) on hedging derivatives, net of tax	(55)
Gain on securities contributed to employee retirement benefit trust	(2,713)
Unrealized gains on available-for-sale securities	(9,543)
Others	(552)
Total deferred tax liabilities	(12,864)
Net deferred tax liabilities	(12,809)

Notes on Fixed Assets to Use on Lease

Operating lease transactions

Future lease payments

Amount due within one year	9,947 million yen
Amount due after one year	10,835 million yen
Total	20,782 million yen

[Translation for Reference and Convenience Purposes Only]

Notes on Transactions with Related Parties

(Millions of yen)

Attribution	Name of company	Ratio of MOL's voting rights	Nature of relationship	Nature of transaction (Note 1)	Transacted amount (Note 2)	Account	Term-end balance
Subsidiary	White Bear Maritime Ltd.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	48,589	-	-
	MOL Euro-orient Shipping S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	30,135	-	-
	MOL Bridge Finance S.A.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	15,706	-	-
	Samba Offshore S.A.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	15,338	-	-
	MOG-IX LNG Shipholding S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	14,276	-	-
	Cleopatra LNG Shipping Co., Ltd.	Directly 70%	Interlocking directorate Debt guarantee	Debt guarantee	14,074	-	-
	Nefertiti LNG Shipping Co., Ltd	Directly 70%	Interlocking directorate Debt guarantee	Debt guarantee	12,777	-	-
	TraPac Jacksonville, LLC	Indirectly 100%	Interlocking directorate Debt guarantee	Debt guarantee	11,233	-	-
	Camellia Container Carrier S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	10,815	-	-
	MOL Cape (Singapore) Pte. Ltd.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	10,801	-	-
	Canopus Maritime Inc.	Directly 100%	Interlocking directorate Debt guarantee			Lease receivables (Note 3)	33,659
	Snowscape Car Carriers S.A	Directly 100%	Interlocking directorate Ship chartering Funding loan	Funding loan	-	Short-term loans receivable Long-term loans receivable	1,268 10,709
	Linkman Holdings Inc.	Directly 100%	Interlocking directorate Funding loan Borrowing of funds	Funding loan Borrowing of funds	13,100 112,540	Short-term loans receivable Short-term loans payable	13,170 54,069
	Lakler S.A.	Directly 100%	Interlocking directorate Ship chartering	Funding loan	1,813	Long-term loans receivable	21,739
	MOL Bulk Carriers Pte. Ltd.	Directly 100%	Interlocking directorate Transfer of charter contracts	Underwriting of capital increase Transfer of charter contracts	61,866 50,348	- -	- -
Affiliate	Tartaruga MV29 B.V.	Directly 21%	Interlocking directorate Debt guarantee	Debt guarantee	29,235	-	-
	T.E.N. Ghana MV25 B.V.	Directly 20%	Interlocking directorate Debt guarantee	Debt guarantee	28,741	-	-
	Carioca MV27 B.V.	Directly 21%	Interlocking directorate Debt guarantee	Debt guarantee	28,706	-	-
	Arctic Blue LNG Shipping Ltd.	Directly 50%	Interlocking directorate Funding loan	Funding loan	7,132	Long-term loans receivable	10,942

Notes 1. Transaction conditions and policies to decide transaction conditions, etc.

(1) Debt guarantees are decided based on the form of guarantees and other conditions.

(2) As for funding loan, it is determined by market rates and conditions, and companies are not required to pay mortgages.

(3) As for borrowing of funds, it is determined by market rates and conditions.

(4) As for underwriting of capital increase, the Company decided to underwrite capital increase carried out by subsidiaries.

(5) As for part of the funding loans, because they involve repeated transactions, the average for this fiscal year is shown for the transacted amount.

(6) As for the transfer of charter contracts, some charter contracts for bulkships were transferred.

2. Consumption taxes are not included in transacted amount

3. Lease receivables shown include lease receivables scheduled to be paid within one year.

[Translation for Reference and Convenience Purposes Only]

Per-share Information

1. Net assets per share 197.62 yen
2. Net loss per share 8.32 yen

Significant Subsequent Events

At the Board of Directors meeting held on April 28, 2017, the Company resolved to propose a change in the number of shares constituting one unit, consolidation of shares, and a partial amendment to its Articles of Incorporation at the Annual General Meeting of Shareholders scheduled to be held on June 27, 2017.

1. Objectives of consolidation

Following the guidelines issued by Japanese Stock Exchanges in their "Action Plan for Consolidating Trading Units" with the aim of unifying the trading units of common shares at 100 shares, the Company decided to change the number of shares constituting one unit of shares, which will be the Company's share trading unit, from 1,000 shares to 100 shares, effective October 1, 2017. In conjunction with the change, the Company will consolidate its shares so that every 10 shares are consolidated into one share with the purpose of minimizing the impact on the rights of shareholders following the change in the number of shares constituting one unit.

2. Particulars of consolidation

(1) Class of shares to be consolidated
Common shares

(2) Consolidation ratio
On October 1, 2017, every 10 shares held by shareholders listed or recorded on the final register of shareholders of September 30, 2017, will be consolidated into one share.

(3) Number of shares to be consolidated

Outstanding shares before consolidation (as of March 31, 2017)	Common shares	1,206,286,115 shares
Number of shares reduced through consolidation (Note)	Common shares	1,085,657,504 shares
Outstanding shares after consolidation (Note)	Common shares	120,628,611 shares

Note: "Number of shares reduced through consolidation" and "Outstanding shares after consolidation" are theoretical values calculated by multiplying "Outstanding shares before consolidation" by the consolidation ratio.

3. Treatment of cases of a fraction constituting less than one share

In case a fraction constituting less than one share arises as a result of share consolidation, the Company will liquidate all such fractional shares in a lump based on the provisions in Articles 235 of the Companies Act, and the proceeds from the sale will be distributed to shareholders who hold fractional shares, in accordance with the percentages of said fractions.

4. Impact on per-share information

Per share information in this fiscal year calculated as though the said consolidation of shares was conducted at the beginning of this fiscal year is presented as follows.

(1) Net assets per share 1,976.21 yen
(2) Net loss per share 83.19 yen

Other Notes

Figures less than one million yen are rounded down to the nearest million.

June 12, 2017

Partial Revision in "Notice of Convocation of the Ordinary General Meeting of Shareholders"

Dear Shareholder:

Please be advised that we have made a partial revision in the "Notice of Convocation of the Ordinary General Meeting of Shareholders," which was published on our website on May 25, 2017. We apologize for the error and provide details of the revision below.

1. Revised Section

Notes to Non-consolidated Financial Statements of the "Notice of Convocation of the Ordinary General Meeting of Shareholders"
(1) Page 73, "Notes to Non-consolidated Balance Sheets, 4. Contingent liabilities"
(2) Page 75, "Notes on Transactions with Related Parties"
(3) Page 76, "Per-share Information, 1. Net assets per share"
(4) Page 76, "Significant Subsequent Events, 4. Impact on per-share information"

2. Details of the Revision (Underlined parts are revised.)

(1) Notes to Non-consolidated Financial Statements, Notes to Non-consolidated Balance Sheets

Before Revision

4. Contingent liabilities

Guarantee liabilities, etc. <u>529,192</u> million yen
(Guarantee liabilities in foreign currency included in above <u>348,224</u> million yen)

After Revision

4. Contingent liabilities

Guarantee liabilities, etc. <u>571,443</u> million yen
(Guarantee liabilities in foreign currency included in above <u>379,037</u> million yen)

(2) Notes to Non-consolidated Financial Statements, Notes on Transactions with Related Parties

Before Revision

(Millions of yen)

Attribution	Name of company	Ratio of MOL's voting rights	Nature of relationship	Nature of transaction (Note 1)	Transacted amount (Note 2)	Account	Term-end balance
Subsidiary	White Bear Maritime Ltd.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	<u>48,589</u>	-	-
	MOL Euro-orient Shipping S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	<u>30,135</u>	-	-
	MOL Bridge Finance S.A.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	15,706	-	-

Attribution	Name of company	Ratio of MOL's voting rights	Nature of relationship	Nature of transaction (Note 1)	Transacted amount (Note 2)	Account	Term-end balance
	Samba Offshore S.A.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	15,338	-	-
	MOG-IX LNG Shipholding S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	14,276	-	-
	Cleopatra LNG Shipping Co., Ltd.	Directly 70%	Interlocking directorate Debt guarantee	Debt guarantee	14,074	-	-
	Nefertiti LNG Shipping Co., Ltd	Directly 70%	Interlocking directorate Debt guarantee	Debt guarantee	12,777	-	-
	TraPac Jacksonville, LLC	Indirectly 100%	Interlocking directorate Debt guarantee	Debt guarantee	11,233	-	-
	Camellia Container Carrier S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	10,815	-	-
	MOL Cape (Singapore) Pte. Ltd.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	10,801	-	-

(Omitted)

After Revision

(Millions of yen)

Attribution	Name of company	Ratio of MOL's voting rights	Nature of relationship	Nature of transaction (Note 1)	Transacted amount (Note 2)	Account	Term-end balance
Subsidiary	White Bear Maritime Ltd.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	53,098	-	-
	MOL Euro-orient Shipping S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	30,104	-	-
	Dolphin Navigation Inc.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	21,068	-	-
	MOL Bridge Finance S.A.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	15,706	-	-
	Samba Offshore S.A.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	15,338	-	-
	MOG-IX LNG Shipholding S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	14,276	-	-
	Cleopatra LNG Shipping Co., Ltd.	Directly 70%	Interlocking directorate Debt guarantee	Debt guarantee	14,074	-	-
	Nefertiti LNG Shipping Co., Ltd	Directly 70%	Interlocking directorate Debt guarantee	Debt guarantee	12,777	-	-
	TraPac Jacksonville, LLC	Indirectly 100%	Interlocking directorate Debt guarantee	Debt guarantee	11,233	-	-

Attribution	Name of company	Ratio of MOL's voting rights	Nature of relationship	Nature of transaction (Note 1)	Transacted amount (Note 2)	Account	Term-end balance
	MOL Cape (Singapore) Pte. Ltd.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	10,801	-	-
	Camellia Container Carrier S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	10,716	-	-

(Omitted)

(3) Notes to Non-consolidated Financial Statements, Per-share Information

Before Revision

1. Net assets per share 197.62 yen

After Revision

1. Net assets per share 195.57 yen

(4) Notes to Non-consolidated Financial Statements, Significant Subsequent Events

Before Revision

4. Impact on per-share information

Per share information in this fiscal year calculated as though the said consolidation of shares was conducted at the beginning of this fiscal year is presented as follows.

(1) Net assets per share 1,976.21 yen
(2) Net loss per share 83.19 yen

After Revision

4. Impact on per-share information

Per share information in this fiscal year calculated as though the said consolidation of shares was conducted at the beginning of this fiscal year is presented as follows.

(1) Net assets per share 1,955.75 yen
(2) Net loss per share 83.19 yen

Yours faithfully,
Junichiro Ikeda
Representative Director
President, Chief Executive Officer
Mitsui O.S.K. Lines, Ltd.