

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, 2011 to March 31, 2012)

1. Matters Concerning the Present State of the Corporate Group

(1) Business Progress and Results

1) General Business Climate

In the global economy during the fiscal year under review, while the economies of developed countries were stuck in slow growth, the emerging economies managed to support global economic growth due to the strong internal demand in those countries. However, the Great East Japan Earthquake and the sovereign debt problem in Europe casted a shadow over growth in the global economy, including that in the emerging countries. In the U.S., employment recovered on the back of rising stock prices and solid personal consumption, and although there are concerns that rising gasoline prices may cause a slowdown in consumption, the economy maintained a tone of recovery. In Europe, although Greece managed to avert disorderly default on its debts for the time being, the problem of sovereign risk continues to smolder among the southern European countries. Consumption was weakened by austere fiscal policy and high unemployment rates, crude oil prices hit historic highs and the economy continued to slow further. In China, where monetary tightening measures were successful in constraining inflation, the economy began to experience slowdown caused by a lull in exports to Europe, which was in an economic slump, and, as a result, China switched to monetary easing policy. Although China's growth rate has been softening, it continues to experience stable economic expansion. In Japan, production declined as a result of supply chain disruptions, first from the Great East Japan Earthquake and then due to the flooding in Thailand. In addition, the yen continually strengthened to new records and demand declined because of the European economic slowdown, causing a severe environment to continue. Nevertheless, there was a gentle tone of recovery in the Japanese economy as a result of economic expansion in the U.S., firm demand from the emerging countries, and the expansion of earthquake-related restoration demand in Japan.

Looking at the maritime shipping market conditions, in the dry bulker market, the hire rates in the Capesize bulker market, despite temporarily recovering in the October to December period, proceeded weakly from January onwards due to the pressure exerted on the market by the supply of new vessels and other factors. In the tanker market, although the hire rates in the crude oil tanker (VLCC) market were sluggish, they became firm from mid-March onwards due to unstable conditions in the Middle East. Regarding the automobile transport volume, although it recovered following the Great East Japan Earthquake and the flooding in Thailand, the growth was weak under the prolonged strong yen. In the containership business, there was less principal cargo volume and the balance of supply and demand became disrupted.

The average exchange rate of the yen against the U.S. dollar during the fiscal year under review appreciated by ¥7.63 year on year to ¥78.85. The average bunker price during the fiscal year under review rose by US\$177/MT to US\$667/MT, which, like the exchange rate, negatively impacted our profits.

As a result of the above, revenue decreased ¥108.4 billion year on year to ¥1,435.2 billion, operating income/loss decreased ¥147.8 billion year on year to record a ¥24.4 billion operating loss, ordinary income/loss decreased ¥145.9 billion year on year to record a ¥24.3 billion ordinary loss and net income/loss decreased ¥84.2 billion year on year to record a ¥26.0 billion net loss.

2) Business Overview by Segment

Bulkships

<Dry Bulkers>

In the dry bulker market, the Capesize bulker market was weak at the beginning of 2011 and remained slow for a while. From July onwards, however, there was a recovery in cargo volume and thanks to this, as well as the promotion of scrapping of old vessels and the further enhancing of slow steaming, the market rebounded with a temporary recovery to over the US\$30,000 level of hire rates per day in October. The market continued at this level until the end of 2011. The market conditions, however, sharply deteriorated with declining shipments from Brazil and Australia due to the climate factors at the start of 2012, the slowdown in economic activities in China and South Korea during the Lunar New Year period, and the large number of new vessel deliveries and the consequent expansion of shipping tonnage. Since late January, hire rates in the Capesize bulker market have remained at a low level of around US\$5,000 per day. In the tramp market from Panamax on down, although the market was relatively firm in May and October, which are the delivery seasons for grains, the hire rates slumped to below the US\$10,000 level per day from mid-January onwards due to the supply pressure of new vessels and a slowdown in the Chinese economy. The woodchip carrier market deteriorated due to the trend of decline in the woodchip import volume by Chinese paper manufacturers as a result of the fall in the pulp market caused by the impacts of the European debt crisis and a slowdown in the Chinese economy. The market for carriers of coal for power generation was affected by reduced demand for coal for power generation by coal fired power plants in Japan that were damaged by the Great East Japan Earthquake. Nevertheless, demand as a base electric source was stable and thus the market remained relatively firm.

As a result of the above, although stable profit was secured from long-term contracts for carriers of iron ore, woodchips, coal for power generation, etc., a loss was recorded due to deterioration in the market.

<Tankers/LNG Carriers>

Regarding the tanker market, the crude oil tanker (VLCC) market remained weak against the backdrop of the supply pressure of new vessels and the stagnation in the European and U.S. economies. However, a recovery occurred from mid-March onwards as a result of increased demand for long-distance transportation due to the impact of the dispersion of the procurement sources of oil consuming countries caused by the unstable conditions in the Middle East. In the product tankers market, despite the fundamental balance of supply and demand trending towards improvement, the market weakened due to fewer arbitrage-trading volumes as a result of the Europe and U.S. economic slowdown causing a perceived notion that there is an oversupply of vessels. In the LPG carrier (VLGC) market, although freight rates tended to rise from July onwards on the back of firm LPG exports from the Middle East, they weakened from late November onwards due to declining export volumes. Although we responded to this operating environment by further promoting slow steaming, improving operation efficiency by setting up pools with other operators, and cutting ship costs, a loss was recorded in the tanker segment, affected by escalating fuel oil prices and the strong yen as well. In the LNG carrier market, hire rates for the medium- to short-term charter market soared against a backdrop of additional demand for LNG corresponding to electric power shortages in Japan. In terms of segment profit, although stable revenue was secured from long-term transport contracts, and revenue was generated by adding LNG carriers to the short-term charter market, there was a year-on-year decline in profit because of the appreciation of the yen and other factors.

<Car Carriers>

The volume of completed cars, mostly consisting of exports from Japan, decreased considerably because of the part supply shortages caused by the Great East Japan Earthquake and the flooding in Thailand, among other factors. Although export volumes gradually recovered from June onwards, owing to the efforts by all the automobile manufacturers, the recovery was slowed by the prolonged strong yen and the economic slowdown in Europe. As a result, the segment profit declined considerably year on year.

Containerships

Cargo volume in principal trades was at a lower level than initially forecasted. Although the trade's cargo volume of the Intra-Asia and the routes from Asia to South America and Africa remained stable, the volume on dominant legs of the routes from Asia to Europe and North America was weak due to concerns about the economic future associated with the European debt crisis. Freight rate levels were low, which reflected not only the slowdown in cargo volume but also an easing in the supply and demand balance caused by an increased capacity from new vessel deliveries. We responded to this situation by expanding our cargo volume by making effective use of space existing in current services on the Intra-Asia routes, and on the routes between Asia and North America / Europe, we provided more high quality services and further captured highly profitable freight. On the Asia-North American routes, we upgraded the Panama/Amazon service to independent operations in order to provide additional space and improve the quality of our services. On the Asia-Europe routes, a new alliance (G6 Alliance) was established and the network was considerably enlarged with new services starting from March. In the Asia-South American East Coast service, we implemented slow steaming by introducing additional vessels. On the Intra-Asia routes, in order to enhance our services within the region, we newly opened a service linking Japan, Hong Kong, Jakarta and Straits, and a service directly connecting India's west coast with China. In addition, we established a service linking Singapore with Yangon to secure our independent network in Myanmar, where economic growth is expected to occur. In March, aiming to further improve customer satisfaction, we set up the goals for three Key Performance Indicators that are shared around the world (transportation quality, environmental conservation, and safe operations) and are making efforts to achieve them.

In the Container terminal business, while a portion of our terminals in North America among our overseas independent terminals (Los Angeles, Oakland, and Jacksonville in North America; Laem Chabang in Thailand; Cai Mep in Vietnam) was affected by the slump in cargo volume bound to the North America, our independent terminals in Japan (Tokyo, Yokohama, Osaka and Kobe) were not seriously damaged by the Great East Japan Earthquake and achieved a recovery in handling volume following the recovery in import cargo volume. In the logistics business, although there was a decline in cargo volume originating from Japan in the air cargo transport business due to the impact of the Great East Japan Earthquake and the flooding in Thailand, active efforts were made to capture highly profitable freight and to reduce costs.

As a result of the above, although we strived to improve the bottom line by promoting cost cutting such as reducing the costs per containers by scaling up the size of vessels and lowering fuel costs by further enhancing slow steaming, a considerable loss was recorded for the containership business overall, against the backdrop of the strong yen and high fuel prices.

Ferry and Domestic Transport

In the ferry business, some routes were affected by the Great East Japan Earthquake. Despite our efforts to recover from this, a loss was recorded for the business overall. In the domestic transport business, we captured demand related to domestic energy transportation and increased our revenue year on year. For the ferry and domestic transport as a whole, however, we continued to record a loss.

Associated Businesses

In the real estate business, amid weak occupancy rates in the rental office market, Daibiru Corporation, the core company in the MOL Group's real estate business, achieved high occupancy rates, allowing us to maintain robust performance. The cruise ship business recorded a loss as a result of a slowdown in the growth of passengers. Apart from the cruise ship business, results from other associated businesses were weak overall. As a result, profit in the associated businesses as a whole decreased year on year.

Others

Other businesses, which are mainly cost centers, include ship operations, ship management, financing, and shipbuilding. Overall profits in this segment during the fiscal year under review increased compared to the previous fiscal year.

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Revenues and Composition Ratio by Business Segment

Name of Segment	Revenues (millions of yen)	Composition ratio (%)
Bulkships	726,011	50.58
Containerships	542,426	37.79
Ferry and Domestic Transport	52,134	3.63
Associated Businesses	106,709	7.43
Others	7,939	0.55
Total	1,435,220	100.00

Note: Figures less than one (1) million are rounded down to the nearest million.

(2) 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, and through the issuance of bonds. We issued ¥30.0 billion of unsecured corporate bonds in total in the fiscal year under review (in June 2011).

2) Capital Investment

The Group's capital investment, mainly in ships, implemented in the fiscal year under review amounted to approximately ¥175.7 billion.

(Millions of yen)

Name of Segment	Amount of Capital Investment
Bulkships	158,188
Containerships	8,209
Ferry and Domestic Transport	829
Associated Businesses	5,442
Others	2,768
Adjustment	289
Total	175,726

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

2. "Adjustment" includes company-wide assets not belonging to any segment.

22 vessels of bulkships were sold and removed.

Sale, etc. of Vessels

Name of Segment	Number of Vessels	Deadweight Tons (in thousands)	Book Value (millions of yen)
Bulkships	22	2,646	14,042

Note: Figures less than one (1) million are rounded down to the nearest million.

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(3) Financial Position and Results of Operations

(Millions of yen)

Category	FY2008	FY2009	FY2010	FY2011 (current fiscal year)
Revenues	1,865,802	1,347,964	1,543,660	1,435,220
Ordinary income (or loss)	204,510	24,234	121,621	(24,320)
Net income (or loss)	126,987	12,722	58,277	(26,009)
Net income (or loss) per share (yen)	106.13	10.63	48.75	(21.76)
Total assets	1,807,079	1,861,312	1,868,740	1,946,161
Total net assets	695,021	735,702	740,247	717,909

Note: Figures in revenues, ordinary income (or loss), net income (or loss), total assets and total net assets are rounded down to the nearest million.

(4) Issues to Be Addressed

With respect to the future business environment surrounding the MOL Group, while the world economy is slowly recovering despite its continued exposure to issues related to the European debt crisis and Middle East geopolitical risks, the over supply of new vessels ordered during the economic boom period still remains high. Therefore, a full-fledged improvement of shipping tonnage supply-demand balance may take some time.

In the midst of this situation, based on the profits we have steadily accumulated until now, we will provide safe and high-quality transportation services that promptly respond to the needs of customers and differentiate ourselves from our competitors by maintaining our stable financial position to back up such services. In addition, we will review the fleet composition from the medium- and long-term perspective to mitigate any impact to our business from changes in market conditions.

In other words, in order to meet demand for transportation in emerging markets around the world, such as China, India, other Asian countries and South American countries, we will strengthen our global sales capabilities in each business segment by such means as expanding our marketing bases in these countries. We will also review our organizational structure promptly and flexibly in response to any changes in business environment and will promote the streamlining of our ship service.

We will also continuously remind ourselves to focus on safe operations. Under the direction of quantification of safety, we will continue to exert efforts in realizing the “4 Zeros” approach (i.e. zero serious marine incidents, zero oil pollution, zero fatal accidents, and zero cargo damage). By learning from the serious marine incidents that have occurred in the past and practicing safe operations with all our resources throughout the MOL Group, we will continue to make every effort without concessions or compromises when formulating necessary measures to ensure safety operations going forward.

Furthermore, the MOL Group will make thorough cost cuts in the amount of ¥25 billion per year by taking measures such as making more thorough efforts to implement slow steaming and strengthening collaborative efforts within the MOL Group. Through these measures, we will attempt to get back on a growth path as a corporate group that is capable of strongly and flexibly responding to the rapidly-changing business environment.

At the same time, we will consider “environmental strategy,” “corporate governance” and “CSR (Corporate Social Responsibility)” as important topics and will continue to promote them, in order to fulfill our social responsibilities and to enhance our corporate value.

Regarding the environmental strategy, we will continue to offer transportation solutions with a lower environmental burden. Specifically, in order to introduce ship innovations to prevent global warming, we are moving forward with our vessel concept “ISHIN” project (the concept for next-generation vessel, which will be “technically practical in the near future” based on the technologies the Company has acquired), promoting “ECO SAILING” (our unique fuel efficient steaming know-how) geared toward energy savings and a reduction in environmental impact, and aiming to reduce CO₂ emissions per ton-mile

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by 10% by FY2015 compared to FY2009. We will also have our Group officers and employees further focus on protecting biodiversity and preserving the natural environment and drive forward with any activities, technological developments and social contributions that will help achieve it.

In the area of corporate governance, we will promote the development and management of effective internal controls to earn the trust of each stakeholder by not only continuing to appropriately operate our internal control system over financial reporting but also organically linking the system with a wide range of internal control segments including environmental measures, CSR activities, compliance, and supervision and audit of management by highly independent outside officers.

With respect to our contribution to society, which is part of our CSR activities, we will actively participate in activities in a manner appropriate to our capabilities as a shipping company with a global network, based on our three basic principles, which are “I. Contribution to the U.N. Millennium Development Goals such as eradication of poverty and spread of education,” “II. Contribution to preservation of biodiversity and protection of the natural environment,” and “III. Contribution to our local communities.”

The MOL Group Mid-term Management Plan (FY2010 – FY 2012)

GEAR UP! MOL

Long-Term Vision: **To make the MOL Group an excellent and resilient organization that leads the world shipping industry**

Main Theme: **“Challenge to Create New Growth”**

GEAR UP! MOL Overall Strategies
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| <ul style="list-style-type: none">(1) Recovery from economic crisis and acceleration of business development in growing markets
Tailored responses to customers’ needs in the world’s growing markets(2) Enhance safe operation
Forge ahead to become “the world leader in safe operation”(3) Environmental strategy
Offer transportation solutions with a low environmental burden |
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(5) Principal Business (As of March 31, 2012)

World wide 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, warehousing and real estate

(6) Principal Business Offices (As of March 31, 2012)

1) The Company

	Location
Head and registered office	Tokyo
Branch offices	Nagoya, Kansai (Osaka Pref.), Kyushu (Fukuoka Pref.), Hiroshima
Representative offices	Beijing Representative Office, Middle East Headquarters (United Arab Emirates)

2) Subsidiaries

- Principal domestic business offices

Tokyo, Kanagawa Pref., Osaka, Hyogo Pref.

- Principal overseas business offices

U.S.A., Mexico, Panama, Brazil, Chile, United Kingdom, Germany, Italy, Austria, the Netherlands, Belgium, France, Sweden, Denmark, Finland, Poland, Lebanon, Cote d'Ivoire, Ghana, Nigeria, South Africa, China, Korea, Taiwan, the Philippines, Vietnam, Cambodia, Thailand, Singapore, Malaysia, Indonesia, India, Pakistan, Sri Lanka, United Arab Emirates, Qatar, Oman, Australia, New Zealand

(7) Shipping Tonnage of the Group (As of March 31, 2012)

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
Owned Vessels	137	in thousands 7,789	112	in thousands 14,469	23	in thousands 1,507
Chartered vessels	383	29,177	112	5,278	92	4,698
Others	0	0	2	143	0	0
Total	520	36,966	226	19,889	115	6,205

Category	Ferry and Domestic Transport		Associated Businesses		Others		Total	
	Ferry and Domestic Transport Vessels		Cruise Ship		Others			
	Number of Vessels	Deadweight Tons	Number of Vessels	Deadweight Tons	Number of Vessels	Deadweight Tons	Number of Vessels	Deadweight Tons
Owned Vessels	15	in thousands 88	1	in thousands 5	1	in thousands 6	289	in thousands 23,864
Chartered vessels	28	67	0	0	2	13	617	39,232
Others	2	3	0	0	0	0	4	146
Total	45	158	1	5	3	19	910	63,242

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(8) Employees (As of March 31, 2012)

1) Employees of the Group

Name of Segment	Number of Employees	
Bulkships	1,249	(134)
Containerships	4,533	(501)
Ferry and Domestic Transport	937	(96)
Associated Businesses	1,984	(1,479)
Others	427	(68)
Company-wide (common)	301	(77)
Total	9,431	(2,355)
As of March 31, 2011	9,438	(2,331)

- 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	658	14	39.2	15.8
Employees on sea duty	282	(10)	34.4	11.6
Total	940	4	37.8	14.6

- Notes: 1. The number of employees on land duty does not include 419 employees dispatched outside the Company, 15 contractors and 150 non-regular employees.
2. The number of employees on sea duty does not include 10 employees dispatched outside the Company and 25 non-regular employees.

(9) Principal Subsidiaries (As of March 31, 2012)

Company	Paid-in Capital (millions of yen)	Percentage of Equity Participation (%)	Principal Business
Daibiru Corporation	12,227	*50.95	Real estate business
Utoc Corporation	2,155	*67.22	Harbor and transportation business
Mitsui O.S.K. Passenger Line, Ltd.	100	100.00	Marine transportation business
Mitsui O.S.K. Kinkai, Ltd.	660	99.04	Marine transportation business
Tokyo Marine Co., Ltd.	2,000	100.00	Marine transportation business
Shosen Koun Co., Ltd.	300	*79.98	Harbor and transportation business
Mitsui O.S.K. Techno-Trade, Ltd.	490	100.00	Sales of fuel oil/vessel materials/machinery
Kusakabe Maritime Engineering Co., Ltd.	200	100.00	Construction business
MOL Logistics (Japan) Co., Ltd.	756	75.06	Air Transport agents and other businesses
Ferry Sunflower Limited	100	100.00	Marine transportation business
Nissan Motor Car Carrier Co., Ltd.	640	70.01	Marine transportation business
MOL Ferry Co., Ltd.	1,577	100.00	Marine transportation business

- Notes: 1. Figures less than one (1) million are rounded down to the nearest million.
2. The calculation of figures with * includes shares held by subsidiaries.

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(10) Major Creditors (As of March 31, 2012)

(Millions of yen)

Creditor	Loan Outstanding
Development Bank of Japan, Inc.	14,196
Shinkin Central Bank	8,549
Sumitomo Mitsui Banking Corporation	6,936
The Norinchukin Bank	4,330
The Iyo Bank, Ltd.	4,231
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,936
Mizuho Corporate Bank, Ltd.	3,345

Note: Figures less than one (1) million are rounded down to the nearest million.

2. Status of Shares (As of March 31, 2012)

(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 10,221,599 shares)

(3) Number of Shareholders 116,681 parties

(4) Major Shareholders

Name of Shareholders	Investment in the Company by the Shareholders	
	Number of Shares (in thousands)	Investment ratio (%)
1. Japan Trustee Services Bank, Ltd.	198,374	16.59
2. The Master Trust Bank of Japan, Ltd.	61,987	5.18
3. Mitsui Sumitomo Insurance Co., Ltd.	38,165	3.19
4. Trust & Custody Services Bank, Ltd.	37,517	3.14
5. Sumitomo Mitsui Banking Corporation	30,000	2.51
6. SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	25,279	2.11
7. The Bank of New York Non-Treasury JASDEC Account	22,037	1.84
8. Mizuho Corporate Bank, Ltd.	20,000	1.67
9. The Nomura Trust and Banking Co., Ltd.	19,027	1.59
10. Sumitomo Life Insurance Company	13,035	1.09

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 Company owned shares (10,221,599 shares).

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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 5, 2004	August 5, 2005	August 11, 2006	August 10, 2007	August 8, 2008	August 14, 2009	August 16, 2010	August 9, 2011
Total number of holders (persons)	1	1	2	3	4	6	8	10
MOL Directors (excluding outside directors) (persons)	1	1	2	3	3	5	6	7
MOL Outside Directors (persons)	0	0	0	0	1	1	2	3
MOL Corporate Auditors (persons)	None	None	None	None	None	None	None	None
Total number of stock acquisition rights (units)	27	100	140	180	210	290	400	470
Class and number of shares subject to the stock acquisition rights (shares)	(common stock) 27,000	(common stock) 100,000	(common stock) 140,000	(common stock) 180,000	(common stock) 210,000	(common stock) 290,000	(common stock) 400,000	(common stock) 470,000
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
Exercise price (yen per share)	644	762	841	1,962	1,569	639	642	468
Exercise period of the stock acquisition rights	June 20, 2005 to June 24, 2014	June 20, 2006 to June 23, 2015	June 20, 2007 to June 22, 2016	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
Exercise conditions of the stock acquisition rights	(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.

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

Issue date	August 9, 2011
Total number of employees granted (persons)	89
MOL executive officers (excluding ones concurrently serving as an MOL officer) (persons)	22
MOL employees (excluding one serving as an MOL officer/executive officer) (persons)	34
Officers and employees of MOL subsidiaries (excluding ones serving as an MOL officer/executive officer/employee) (persons)	33
Total number of stock acquisition rights (units)	1,250
Class and number of shares subject to the stock acquisition rights (shares)	(common stock) 1,250,000
Paid-in value at exercise of stock acquisition rights	without consideration
Exercise price (yen per share)	468
Exercise period of the stock acquisition rights	July 26, 2013 to June 22, 2021
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.

There are no significant matters to report.

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4. Matters Concerning Officers

(1) Directors and Corporate Auditors (As of March 31, 2012)

Position	Name	Assignment	Significant Concurrent Positions Outside the Company
Representative Director, Chairman of the Board, Chairman Executive Officer	Akimitsu Ashida		President, The Japan Shipowners' Association Member of the Board (external), JFE Holdings, Inc.
Representative Director, Vice Chairman Executive Officer	Masakazu Yakushiji		
Representative Director, President Executive Officer	Koichi Muto		
Representative Director, Executive Vice President Executive Officer	Toshitaka Shishido	Assistant to President [Mainly in business divisions]	
Director, Senior Managing Executive Officer	Masafumi Yasuoka	Coal and Iron Ore Carrier Division, Bulk Carrier Division	
Director, Senior Managing Executive Officer	Tsuneo Watanabe	Tanker Division, Tanker Safety Management Office	
Director, Managing Executive Officer	Shugo Aoto	Finance Division, Accounting Division, Investor Relations Office	
Director	Takeshi Komura		Provided in (3) Matters Concerning Outside Officers below.
Director	Sadayuki Sakakibara		Provided in (3) Matters Concerning Outside Officers below.
Director	Masayuki Matsushima		Provided in (3) Matters Concerning Outside Officers below.
Full-time Corporate Auditor	Junichi Narita		
Full-time Corporate Auditor	Masaaki Tsuda		
Corporate Auditor	Sumio Iijima		Provided in (3) Matters Concerning Outside Officers below.
Corporate Auditor	Hiroyuki Itami		Provided in (3) Matters Concerning Outside Officers below.

- Notes:
1. Takeshi Komura, Sadayuki Sakakibara and Masayuki Matsushima are outside directors as stipulated in Article 2, Item (15) of the Companies Act, and the Company has appointed them as independent directors as stipulated under the regulations of the stock exchanges where the Company's common stock is listed and notified the matter to the exchanges.
 2. Sumio Iijima and Hiroyuki Itami are outside corporate auditors as stipulated in Article 2, item (16) of the Companies Act, and the Company has appointed them as independent auditors stipulated under the regulations of the stock exchanges where the Company's stock is listed and notified the matter to the exchanges.
 3. Sumio Iijima, a corporate auditor, is familiar with corporate legal affairs as an attorney at law, and has considerable knowledge about finance and accounting.
 4. Hiroyuki Itami, a corporate auditor, 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.
 5. Shugo Aoto and Masayuki Matsushima were newly elected as directors at the Ordinary General Meeting of Shareholders held on June 23, 2011, and assumed their offices.

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6. Masaaki Tsuda and Hiroyuki Itami were newly elected as auditors at the Ordinary General Meeting of Shareholders held on June 23, 2011, and assumed their offices.
7. At the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2011, Directors Yoichi Aoki and Kunio Kojima resigned from their offices due to expiration of their terms.
8. At the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2011, Corporate Auditor Kazumasa Mizoshita resigned from his office and Corporate Auditor Kensuke Hotta resigned from his office due to expiration of the term.
9. Executive officers as of March 31, 2012 are as follows (excluding ones concurrently serving as director).

Executive Officers (As of March 31, 2012)

Position	Name	Assignment
Senior Managing Executive Officer	Hiroshi Tanaka	Research Office Dedicated Bulk Carrier Division
Senior Managing Executive Officer	Kazuhiro Sato	LNG Carrier Division, MOL LNG Transport Co., Ltd.
Senior Managing Executive Officer	Soichi Hiratsuka	Human Resources Division, Marine Safety Division, MOL Ship Management Co., Ltd., Tanker Safety Management Office, MOL LNG Transport Co., Ltd., Safety Operation
Managing Executive Officer	Kenji Yokota	Technical Division
Managing Executive Officer	Takashi Kurauchi	Car Carrier Division
Managing Executive Officer	Makoto Yamaguchi	Bulk Carrier Division, Dry Bulk Carrier Supervising Office
Managing Executive Officer	Kenichi Nagata	Coal and Iron Ore Carrier Division
Managing Executive Officer	Tetsuya Minato	President of Mitsui O.S.K. Lines (Japan), Ltd., Liner Marketing
Managing Executive Officer	Junichiro Ikeda	Liner Division
Managing Executive Officer	Masahiro Tanabe	General Affairs Division, Group Business Division, Kansai Area
Managing Executive Officer	Shizuo Takahashi	Internal Audit Office, Secretaries Office, Corporate Planning Division, Public Relations Office, MOL Information Systems, Ltd.
Executive Officer	Kazunori Nakai	Tanker Division
Executive Officer	Masaaki Nemoto	Assistant to Marine Safety Division, Tanker Safety Management Office, MOL LNG Transport Co., Ltd.
Executive Officer	Kiyotaka Yoshida	Technical Division
Executive Officer	Hirokazu Hatta	Human Resources Division
Executive Officer	Takeshi Hashimoto	LNG Carrier Division
Executive Officer	Hiroyuki Fukumoto	Car Carrier Division
Executive Officer	Tetsuro Nishio	General Manager of Dedicated Bulk Carrier Division
Executive Officer	Toshiya Konishi	General Manager of Liner Division
Executive Officer	Tsuyoshi Yoshida	Chairman / President / Chief Executive Officer of MOL (America) Inc.
Executive Officer	Takashi Maruyama	General Manager of Finance Division
Executive Officer	Akihiko Ono	General Manager of Corporate Planning Division

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(2) Remunerations Paid to Directors and Corporate Auditors

Category	Number of Persons Remunerated	Total Amount of Remunerations Paid (millions of yen)
Directors	12	475
Corporate Auditors	6	101
Total	18	576

- Notes:
1. The above includes remuneration related to two (2) directors and two (2) corporate auditors who resigned upon the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2011.
 2. The above includes payments of remunerations to seven (7) outside officers totaling ¥52 million.
 3. The above includes the following amounts of stock options offered and recorded as compensation during the fiscal year under review in addition to the monthly compensation paid to directors. ¥40 million for ten (10) directors (including ¥5 million for three (3) outside directors)
 4. Recorded figures less than one (1) million are rounded down to the nearest million.

(3) 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
Takeshi Komura	Attended all ten (10) board meetings held in the fiscal year under review and appropriately made statements necessary for discussion of proposals on the basis of many years of experience and knowledge in the fields of economy management and policy finance of our country, from the objective viewpoint of an outside director.	President, The Salt Science Research Foundation Outside Corporate Auditor, The Yasuda Warehouse Co., Ltd.
Sadayuki Sakakibara	Attended all ten (10) board meetings held after assuming the position of director of the Company during the fiscal year under review and appropriately made statements necessary for discussing proposals on the basis of his abundant experience and extensive knowledge as a corporate manager, from the objective viewpoint of an outside director.	Chairman of the Board and Representative Member of the Board, Toray Industries, Inc.
Masayuki Matsushima	Attended all eight (8) board meetings held in the fiscal year under review after he assumed office 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.	Senior Advisor, the Boston Consulting Group K.K. Outside Director, Mitsui Fudosan Co., Ltd.

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[Outside Corporate Auditors]

Name	Major Activities	Significant Concurrent Positions outside the Company
Sumio Iijima	Attended nine (9) out of ten (10) board meetings and ten (10) out of eleven (11) corporate auditors' meetings held in the fiscal year under review and appropriately made statements necessary for discussion of proposals mainly from the viewpoint of a specialist as an attorney at law.	Attorney at law, Tokyo Toranomon Law Office Outside Corporate Auditor, Kitagawa Industries Co., Ltd. Outside Corporate Auditor, Isetan Mitsukoshi Holdings, Ltd.
Hiroyuki Itami	Attended all eight (8) board meetings held in the fiscal year under review after he assumed office and all eight (8) corporate auditors' meetings held in the fiscal year under review and appropriately made statements necessary for discussion of proposals mainly from the viewpoint of a specialist as a scholar of business administration.	Professor and Dean of Tokyo University of Science, Graduate School of Innovation Studies Outside Corporate Auditor, JFE Holdings, Inc.

Note: No significant business relationships exist between the Company and the organizations for which the outside directors and outside corporate auditors hold significant concurrent positions.

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.

5. Status of the Accounting Auditor

(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	110
Total of cash and other economic benefits payable by the Company and its subsidiaries to the Accounting Auditor	242

Notes: 1. Figures less than one (1) million 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 type, therefore, the amount of compensations paid for the fiscal year under review is the total of these amounts.

(3) Contents of Non-audit Services

The Company has entrusted to the Accounting Auditor "Preparation of comfort letter" and "Financial due diligence advisory services" that are services other than ones 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 the case 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 Board of Directors decides to include dismissal or non-reappointment of the Accounting Auditor in the agenda of the general meeting of shareholders, with approval or upon request from the Board of Corporate Auditors.

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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 Board of Corporate Auditors shall dismiss the Accounting Auditor by consent of all corporate auditors.

6. System to Secure Properness of Operations

The outline of decisions on the system to ensure that the execution of duties by the directors complies with laws and regulations and the articles of incorporation and the system to secure the properness of other corporate operations is as follows:

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

- 1) The Company shall ensure that directors, executive officers and employees comply with the code of conduct stipulated in Article 4 of the Compliance Policy, advocating an “open and visible management style that is guided by the highest ethical and social standards,” as one of its corporate principles.
- 2) 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 violation of laws and regulations and the articles of incorporation.

Also Directors are involved in the highest level of policymaking regarding all aspects of corporate management through the Board of Directors, and, as a member of the Board of Directors, supervise and encourage executive officers to execute business.

- 3) The Executive Committee set up by the Board of Directors deliberates to enable the President Executive Officer to decide important issues on basic management plans and execution of business, based on uppermost policies decided by the Board of Directors.
- 4) Executive officers are appointed by the Board of Directors, take over authorities transferred by representative directors based on rules of executive officers, and perform his/her duties in accordance with uppermost policies decided by the Board of Directors regarding all aspects of corporate management.
- 5) The Board of Directors shall make efforts to create an environment which enables the auditors to audit the performance of duties by directors and executive officers in accordance with auditing policies stipulated in the rules of the Board of Auditors and the standards of audit by the auditors, and enables the auditors to fulfill policies stipulated in other laws and regulations.

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

Information on execution of duties by directors and executive officers is properly preserved and managed during a specified period, and kept available for inspection, in accordance with the rules of document management.

(3) 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.

- 1) Risks concerning business and market trends

In the marine transportation field, the Company’s principal business, as seaborne trades are influenced by business trends and commodity markets all over the world, 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.

- 2) 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 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.

- 3) 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.

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

- 1) 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.
- 2) The Executive Committee consisting of members appointed by the President Executive Officer and approved by the Board of Directors 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.

- 3) Executive officers perform their duties, based on the division of duties by organization and the administrative authority of each position stipulated in the organizational rules.

(5) System to Ensure that the Performance of Duties by Employees Complies with Laws and Regulations and the Articles of Incorporation

- 1) The compliance system is enhanced and maintained by establishing a Compliance Policy and setting up a Compliance Committee led by an executive vice president in charge of administrative divisions.
- 2) The Company ensures that the employees comply with the code of conduct stipulated in Article 4 of the Compliance Policy.
- 3) For reports and consultation on violation of laws and other compliance rules, the reporting and consultation system including the Compliance Advisory Service Desk is maintained and operated based on the Compliance Policy.
- 4) 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.

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

- 1) 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.
- 2) As for business management of the Group companies, a division of the Company is nominated to be responsible for the business management of each Group company. Based on the rules of the Group companies' business management, a head of the division requires the Group companies to report in advance about material matters about management of the Group companies, and to carry them out with the Company's approval.
- 3) 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.

(7) System Concerning Employees to Assist in the Corporate Auditors' Duties and Their Independence from Directors and Executive Officers

- 1) The Corporate Auditor Office is established to assist in the corporate auditors' duties, and assistants for auditors are appointed among the Company's employees.
- 2) Personnel evaluation of assistants for corporate auditors is conducted by the auditors, and the transfer of assistants for corporate auditors is decided with approval of the Board of Auditors.
- 3) In general, assistants for auditors shall not be involved in business execution.

(8) System Concerning Reports to the Corporate Auditors Including a Reporting System from Directors, Executive Officers, Employees and Others Concerning Reports to the Auditors, and System to Ensure that the Audit is Effectively Conducted by the Corporate Auditors

- 1) Rules are prescribed on matters to be reported to the corporate auditors by directors, executive officers and employees. Based on those rules, directors, executive officers and employees shall report on material matters that may have impact on the Company's businesses or performance.
- 2) By maintaining the appropriate operation of reporting and consultation service systems based on Compliance Policies, the appropriate reporting system to auditors on issues concerning compliance such as violation of laws is secured.
- 3) Representative directors make efforts to have regular meetings with the corporate auditors.
- 4) The Internal Audit Office shall cooperate in the effective implementation of the audit by the corporate auditors, while keeping in contact and coordinating with the corporate auditors.

[Translation for Reference and Convenience Purposes Only]

Consolidated Balance Sheets

(Millions of yen)

Item	As of March 31, 2012	As of March 31, 2011
	Amount	Amount
(Assets)		
Current assets	386,936	344,443
Cash and deposits	50,864	65,788
Trade receivables	130,921	128,208
Marketable securities	10,023	29
Inventories	54,335	46,547
Deferred and prepaid expenses	53,744	51,172
Deferred tax assets	4,594	5,752
Other current assets	82,852	47,536
Allowance for doubtful accounts	(401)	(592)
Fixed assets	1,559,225	1,524,297
(Tangible fixed assets)	[1,293,802]	[1,257,823]
Vessels	822,280	744,155
Buildings and structures	124,294	131,288
Equipment, mainly containers	9,210	10,350
Equipments and parts	3,597	3,969
Land	215,958	216,103
Vessels and other property under construction	116,724	150,114
Other tangible fixed assets	1,735	1,841
(Intangible fixed assets)	[16,193]	[9,187]
(Investments and other assets)	[249,228]	[257,286]
Investment securities	93,805	101,055
Investments in and advances to unconsolidated subsidiaries and affiliates	78,940	90,814
Long-term loans receivables	19,166	18,198
Long-term prepaid expenses	20,479	21,917
Deferred tax assets	11,692	7,116
Other long-term assets	27,696	20,855
Allowance for doubtful accounts	(2,551)	(2,672)
Total Assets	1,946,161	1,868,740

[Translation for Reference and Convenience Purposes Only]

(Millions of yen)

Item	As of March 31, 2012	As of March 31, 2011
	Amount	Amount
(Liabilities)		
Current liabilities	322,851	374,268
Trade payables	133,599	130,752
Short-term bonds	4,190	10,242
Short-term loans	101,012	111,720
Accrued income taxes	6,112	27,409
Advances received	19,808	20,281
Deferred tax liabilities	902	93
Allowance for provision for bonuses	3,928	4,600
for provisions for directors' bonuses	152	243
for provisions for loss related to U.S. antitrust matter	151	-
Commercial papers	5,000	21,500
Other current liabilities	47,993	47,424
Fixed liabilities	905,401	754,225
Bonds	187,030	160,157
Long-term loans	552,156	399,382
Long-term lease obligations	19,011	20,080
Deferred tax liabilities	18,732	19,441
Allowance for employees' retirement benefits	13,766	14,310
for Directors' and corporate auditors' retirement benefits	2,159	2,027
for periodic drydocking	14,058	16,908
Other fixed liabilities	98,484	121,916
Total Liabilities	1,228,252	1,128,493
(Net Assets)		
Owners' equity	732,402	767,380
Common stock	65,400	65,400
Capital surplus	44,486	44,516
Retained earnings	629,667	664,645
Treasury stock, at cost	(7,151)	(7,181)
Accumulated other comprehensive income (loss)	(94,980)	(106,585)
Unrealized gains on available-for-sale securities, net of tax	16,888	14,488
Unrealized losses on hedging derivatives, net of tax	(54,936)	(68,355)
Foreign currency translation adjustments	(56,932)	(52,718)
Share subscription rights	2,005	1,870
Minority interests	78,481	77,581
Total Net Assets	717,909	740,247
Total Liabilities and Total Net Assets	1,946,161	1,868,740

[Translation for Reference and Convenience Purposes Only]

Consolidated Statements of Income

(Millions of yen)

Item	FY2011 (From Apr. 1, 2011 to Mar. 31, 2012)	FY2010 (From Apr. 1, 2010 to Mar. 31, 2011)
	Amount	Amount
Shipping and other operating revenues	1,435,220	1,543,660
Shipping and other operating expenses	1,368,794	1,328,959
Gross operating income	66,426	214,701
Selling, general and administrative expenses	90,885	91,300
Operating income (loss)	(24,459)	123,400
Non-operating income		
Interest income	1,172	1,580
Dividend income	6,785	3,926
Equity in earnings of unconsolidated subsidiaries and affiliates	3,300	8,174
Others	6,323	3,544
Total non-operating income	17,581	17,226
Non-operating expenses		
Interest expense	11,511	11,371
Others	5,931	7,633
Total non-operating expenses	17,442	19,005
Ordinary income (loss)	(24,320)	121,621
Extraordinary profits		
Gain on sales of fixed assets	11,558	6,359
Gain on sales of investment securities	225	1,019
Cancellation fee for chartered vessels	142	1,485
Others	2,096	2,295
Total extraordinary profits	14,022	11,160
Extraordinary losses		
Loss on sales, disposal and retirement of fixed assets	1,830	6,336
Impairment loss	5,468	10,238
Loss on valuation of investment securities	9,162	499
Cancellation fee for chartered vessels	341	11,988
Loss on reversal of foreign currency translation adjustments	2,366	-
Others	4,048	8,352
Total extraordinary losses	23,218	37,415
Income (loss) before income taxes and minority interests	(33,516)	95,366
Income taxes - current	9,546	36,431
Income taxes - deferred	(20,814)	(2,797)
Income (loss) before minority interests	(22,247)	61,732
Minority interests in earnings of consolidated subsidiaries	3,761	3,455
Net income (loss)	(26,009)	58,277

[Translation for Reference and Convenience Purposes Only]

Consolidated Statement of Changes in Net Assets

(Millions of yen)

	FY2011 (From April 1, 2011 to March 31, 2012)
Owners' equity	
Common stock	
Balance at April 1, 2011	65,400
Changes during the fiscal year	
Total changes during the fiscal year	-
Balance at March 31, 2012	65,400
Capital surplus	
Balance at April 1, 2011	44,516
Changes during the fiscal year	
Disposal of treasury stock	(29)
Total changes during the fiscal year	(29)
Balance at March 31, 2012	44,486
Retained earnings	
Balance at April 1, 2011	664,645
Changes during the fiscal year	
Dividends paid	(8,970)
Net loss	(26,009)
Due to change in consolidated subsidiaries	11
Due to change in affiliates accounted for by the equity method	159
Due to change in fiscal year end of consolidated subsidiaries	(169)
Total changes during the fiscal year	(34,978)
Balance at March 31, 2012	629,667
Treasury stock, at cost	
Balance at April 1, 2011	(7,181)
Changes during the fiscal year	
Purchases of treasury stock	(28)
Disposal of treasury stock	57
Total changes during the fiscal year	29
Balance at March 31, 2012	(7,151)
Total owners' equity	
Balance at April 1, 2011	767,380
Changes during the fiscal year	
Dividends paid	(8,970)
Net loss	(26,009)
Due to change in consolidated subsidiaries	11
Due to change in affiliates accounted for by the equity method	159
Due to change in fiscal year end of consolidated subsidiaries	(169)
Purchases of treasury stock	(28)
Disposal of treasury stock	28
Total changes during the fiscal year	(34,977)
Balance at March 31, 2012	732,402

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	(Millions of yen)
	FY2011 (From April 1, 2011 to March 31, 2012)
Accumulated other comprehensive income (loss)	
Unrealized gains on available-for-sale securities, net of tax	
Balance at April 1, 2011	14,488
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	2,399
Total changes during the fiscal year	2,399
Balance at March 31, 2012	16,888
Unrealized losses on hedging derivatives, net of tax	
Balance at April 1, 2011	(68,355)
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	13,418
Total changes during the fiscal year	13,418
Balance at March 31, 2012	(54,936)
Foreign currency translation adjustments	
Balance at April 1, 2011	(52,718)
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	(4,213)
Total changes during the fiscal year	(4,213)
Balance at March 31, 2012	(56,932)
Total accumulated other comprehensive income (loss)	
Balance at April 1, 2011	(106,585)
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	11,604
Total changes during the fiscal year	11,604
Balance at March 31, 2012	(94,980)
Share subscription rights	
Balance at April 1, 2011	1,870
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	134
Total changes during the fiscal year	134
Balance at March 31, 2012	2,005
Minority interests	
Balance at April 1, 2011	77,581
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	900
Total changes during the fiscal year	900
Balance at March 31, 2012	78,481
Total net assets	
Balance at April 1, 2011	740,247
Changes during the fiscal year	
Dividends paid	(8,970)
Net loss	(26,009)
Due to change in consolidated subsidiaries	11
Due to change in affiliates accounted for by the equity method	159
Due to change in fiscal year end of consolidated subsidiaries	(169)
Purchases of treasury stock	(28)
Disposal of treasury stock	28
Net increase/decrease during the term except in owners' equity	12,639
Total changes during the fiscal year	(22,337)
Balance at March 31, 2012	717,909

[Translation for Reference and Convenience Purposes Only]

[Reference Document]

Consolidated Statements of Cash Flows

(Millions of yen)

Items	FY2011 (From April 1, 2011 to March 31, 2012)	FY2010 (From April 1, 2010 to March 31, 2011)
	Amount	Amount
I. Cash flows from operating activities		
Income (loss) before income taxes and minority interests	(33,516)	95,366
Depreciation and amortization	85,624	77,445
Impairment loss	5,468	10,238
Equity in earnings of unconsolidated subsidiaries and affiliates, net	(3,300)	(8,174)
Loss on write-down of investment securities	9,162	499
Loss on write-down of investments in affiliates	-	272
Various provisions (reversals)	(4,004)	(1,226)
Interest and dividend income	(7,958)	(5,507)
Interest expense	11,511	11,371
Gain on sales of investment securities	(223)	(1,017)
Gain on sales and disposal of vessels, property, plant and equipment	(9,729)	(23)
Exchange loss (gain), net	4,172	1,689
Changes in operating assets and liabilities		
- Trade receivables	(3,971)	(13,755)
- Inventories	(7,932)	(8,451)
- Trade payables	3,805	18,860
Other, net	(6,843)	22,075
Sub total	42,264	199,664
Cash received for interest and dividend	17,368	8,332
Cash paid for interest	(10,477)	(11,201)
Cash paid for corporate income tax, resident tax and enterprise tax	(44,140)	(15,040)
Net cash provided by operating activities	5,014	181,755
II. Cash flows from investing activities		
Purchase of investment securities	(1,157)	(4,567)
Proceeds from sale and redemption of investment securities	698	4,845
Payments for purchases of vessels and other tangible and intangible fixed assets	(175,035)	(217,361)
Proceeds from sale of vessels and other tangible and intangible fixed assets	44,878	82,752
Payments for purchases of subsidiaries' securities due to change in consolidated subsidiaries	(4,936)	-
Net (increase) decrease in short-term loans receivable	126	48
Disbursements for loans receivable	(4,527)	(4,394)
Collections of loans receivable	8,384	2,391
Other, net	(2,743)	1,500
Net cash used in investing activities	(134,312)	(134,785)

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Items	FY2011 (From April 1, 2011 to March 31, 2012)	FY2010 (From April 1, 2010 to March 31, 2011)
	Amount	Amount
III. Cash flows from financing activities		
Net increase (decrease) in short-term bonds	56	154
Net increase (decrease) in short-term loans	(2,958)	(3,284)
Net increase (decrease) in commercial papers	(16,500)	13,000
Proceeds from long-term bank loans	270,357	68,899
Repayments of long-term bank loans	(115,662)	(94,287)
Proceeds from issuance of bonds	30,000	20,000
Redemption of bonds	(7,890)	(56,533)
Purchase of treasury stock	(28)	(88)
Sale of treasury stock	28	27
Cash dividends paid by the company	(9,041)	(9,618)
Cash dividends paid to minority interests	(1,305)	(1,140)
Other, net	1,217	(888)
Net cash provided by (used in) financing activities	148,272	(63,759)
IV. Effect of exchange rate changes on cash and cash equivalents	(1,940)	(3,698)
V. Net increase (decrease) in cash and cash equivalents	17,033	(20,487)
VI. Cash and cash equivalents at beginning of year	65,477	85,894
VII. Net cash increase from new consolidation/de-consolidation of subsidiaries	114	70
VIII. Increase in cash and cash equivalents due to change in accounting period for consolidated subsidiaries	211	-
IX. Cash and cash equivalents at end of period	82,837	65,477

Notes to Consolidated Financial Statements

Significant Matters for Basis of Preparation of Consolidated Financial Statements

1. Scope of consolidation

- (1) Number of consolidated subsidiaries: 335
- (2) Names of principal consolidated subsidiaries are as stated in “1 Matters Concerning the Present State of the Corporate Group, (9) Principal Subsidiaries” in Business Report.
- (3) Names of principal non-consolidated subsidiaries: Asia Cargo Service Co., Ltd.
- (4) Reason for exclusion from the scope of consolidation
Total assets, net revenues, net income (calculated according to our equity interest) and retained earnings (calculated according to our equity interest) of non-consolidated subsidiaries are not substantial respectively, and do not have a material impact on the consolidated statutory reports.

2. Application of equity method

- (1) Number of affiliates accounted for by the equity method: 63
- (2) Names of principal affiliates accounted for by the equity method:
Daiichi Chuo Kisen Kaisha, Osaka Shipping Co., Ltd, Asahi Tanker Co., Ltd.
- (3) Names of principal non-consolidated subsidiaries that are not accounted for by the equity method:
Asia Cargo Service Co., Ltd.
- (4) Names of principal affiliates that are not accounted for by the equity method:
Sorami Container Center Co., Ltd.
- (5) Reason for exclusion from the scope of applying the equity method
Amounts calculated according to our equity interest in net income and retained earnings of non-consolidated subsidiaries and affiliates that are not accounted for by the equity method are not significant.

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

- (1) Scope of consolidation
Twenty five (25) companies, including AQUARIUS LNG SHIPPING LTD., a newly established company, have been newly included in the scope of consolidation effective the fiscal year under review. Ten (10) companies including International Container Terminal Co., Ltd., which had been a consolidated subsidiary, were excluded from the scope of consolidation due to dissolutions after merger, etc.
- (2) Scope of applying the equity method
Five (5) companies including DUQM MARITIME TRANSPORTATION COMPANY S.A. have been accounted for under the equity method effective the fiscal year under review from the viewpoint of the significance. Two (2) companies including Badak LNG Transport Inc. were excluded from the scope of equity method application due to the completion of their liquidation in the fiscal year under review.

[Translation for Reference and Convenience Purposes Only]

(4) Accounting for allowances

Allowance for doubtful accounts

Provided for losses on ordinary receivables using the historical default rate and provided for losses on specific receivables where there is a possibility of default based on the estimated amount of uncollectible receivables on an individual basis.

Allowance for provision for bonuses

Provided for bonus payments to employees based on the estimated amounts of future payments attributed to the fiscal year.

Allowance for provisions for directors' bonuses

Some consolidated domestic subsidiaries provide for bonus payments to directors based on the estimated amounts of future payments.

Allowance for provisions for loss related to U.S. antitrust matter

MOL Logistics (Japan) Co., Ltd., our subsidiary, received the United States Department of Justice's inspection on price adjustments for fuel surcharges in Japan, and as a result, will pay charges. The amount and due date has not been decided yet and the Company provided the estimated amount of such payment.

Allowance for employees' retirement benefits

Reserve for retirement benefits mainly to employees are calculated based on the estimates of retirement benefit obligations and pension assets as of the end of the fiscal year under review. Unrecognized actuarial differences are amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over a period no longer than the average remaining service period for employees in service (generally 10 years). Past service liability is chiefly accounted for as expenses in lump-sum at the time of occurrence.

Allowance for Directors' and corporate auditors' retirement benefits

To provide for the payment of retirement benefits to directors and corporate auditors, the Company and a part of consolidated domestic subsidiaries record an amount to adequately cover payments at the end of the fiscal year under review, in accordance with internal regulations. Effective from the conclusion of the Ordinary General Meeting of Shareholders of the Company for FY2004, the Company abolished the retirement benefits plan for directors and corporate auditors. Following the decision in that meeting, the Company recognizes liabilities for retirement benefit for directors and corporate auditors until the conclusion of the shareholders' meeting for FY2004, which will be paid upon their retirement, in accordance with internal regulations.

Allowance for periodic drydocking

Provided for the payment for dry docking of vessels based on the estimated amount of dry docking of vessels

(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 satisfy the requirements for special accounting rules.

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Hedging instruments and hedged items

Means for hedging

Loans payable in foreign currencies
Forward foreign exchange contracts
Currency option contracts
Currency swap contracts
Interest rate swap contracts
Crude oil swap contracts
Commodities futures
Freight futures

Hedged items

Foreign currency future transactions
Foreign currency future transactions
Foreign currency future transactions
Foreign currency loans payable
Interest on loans and bonds payable
Fuel oil
Fuel oil
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) In the Company and consolidated subsidiaries, interest paid is expensed as incurred, in general. However, in cases where a period from start to completion of construction is long and the scale of investment is significant, interest expenses incurred during the construction period are included as part of the acquisition cost.
- (8) Consumption tax and local consumption tax are accounted for by the tax exclusion method.
- (9) Additional information
For accounting changes and corrections of past errors implemented at and after the beginning of the fiscal year under review, we applied the “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No. 24, December 4, 2009) and the “Guidance on the Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, December 4, 2009).

Changes in Presentations

(Consolidated statements of income)

Although “Loss on valuation of investment securities” had been included in “Extraordinary losses – Others” up to the previous fiscal year, the item is separately presented in the fiscal year under review due to the increase in monetary significance. “Loss on valuation of investment securities” for the previous fiscal year was ¥499 million.

Notes to Consolidated Balance Sheet

1. Breakdown and amounts of inventories

Raw materials and supplies	52,847 million yen
Other	1,488 million yen

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2. Assets pledged as collateral and secured obligations

(1) Assets pledged as collateral	
Vessels	192,297 million yen
Buildings and structures	1,683 million yen
Land	890 million yen
Vessels and other property under construction	5,624 million yen
Investment securities	44,047 million yen
Equity securities issued by subsidiaries and affiliates	24,886 million yen
Others	30 million yen
Total	269,460 million yen
(2) Secured obligations	
Short-term loans	14,901 million yen
Long-term loans	65,892 million yen
Total	80,794 million yen

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

- a) Investment securities at ¥43,949 million and equity securities issued by subsidiaries and affiliates at ¥11,143 million were pledged in order to secure losses to be incurred when the Company and our subsidiaries and affiliates cause oil pollution casualties in U.S. ocean area, and obligations for them have not been incurred as of the end of the fiscal year under review. ¥11,143 million in equity securities issued by subsidiaries and affiliates are equity securities issued by consolidated subsidiaries.
- b) Equity securities issued by subsidiaries and affiliates at ¥13,742 million were pledged in order to secure long-term loans and future payment of charter fees of subsidiaries and affiliates.
- c) Investment securities of ¥81 million were pledged as collateral for long-term loans associated with an LNG carrier project.

3. Accumulated depreciation of tangible fixed assets 706,553 million yen

4. Contingent liabilities

Guarantee liabilities, etc.	65,061 million yen
(Including guarantee liabilities in foreign currency	54,854 million yen)
Burden on other joint debtors in joint debts	1,702 million yen

Notes to Consolidated Statement of Changes in Net Assets

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

Class:	Common stock
Number of shares:	10,975,285 shares

[Translation for Reference and Convenience Purposes Only]

3. Matters concerning dividend distribution of surplus

(1) Amount of dividend payment

Resolution	Class of stock	Total dividend (millions of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders June 23, 2011	Common stock	5,980	5.0	March 31, 2011	June 24, 2011
Board of Directors' meeting October 31, 2011	Common stock	2,990	2.5	September 30, 2011	November 22, 2011

(2) Dividend for which record date is in the current fiscal year but the effective date for the dividend is in the following fiscal year

Resolution	Class of stock	Total dividend (millions of yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders June 22, 2012	Common stock	2,990	Retained earnings	2.5	March 31, 2012	June 25, 2012

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

(Excluding rights before exercise period of the share subscription rights)

Class: Common stock
Total number of shares: 7,701,000 shares

[Translation for Reference and Convenience Purposes Only]

Notes on Financial Instruments

1. Qualitative information on financial instruments

We raise capital investment funds to acquire vessels and other fixed assets primarily through bank loans and corporate bonds. In addition, we secure short-term operating funds through commercial papers and bank loans. Furthermore, we have established commitment line with Japanese banks in preparation for supplementing liquidity in emergency situations.

Trade receivables are exposed to the credit risks of customers. We strive to mitigate such risks in accordance with internal regulations. Besides, trade receivables denominated in foreign currencies are exposed to the foreign currency exchange rate risk. We avoid the risk mainly by, in principle, utilizing forward exchange contracts which cover the net position (The difference between trade receivables and trade payables denominated in foreign currencies). Investment securities are mainly stocks of companies with which we have business relationships. These investment securities are exposed to the price fluctuation risk. We identify the market value of listed stocks on a quarterly basis.

Trade payables are due within a year.

Short-term loans and commercial papers are primarily used for raising short-term operating funds, while long-term loans and bonds are mainly for capital investments. Although several items with variable interest rates are exposed to the interest rate risk, a certain portion of such variable interest rates is fixed with the use of interest rate swaps. Long-term loans and bonds denominated in foreign currencies are exposed to the foreign currency exchange rate risk, a part of which is avoided by using currency swaps. Derivatives are utilized to hedge risks as discussed above and are executed within the scope of real requirements. Our policy is not to use derivatives for speculative purposes.

2. Fair values of financial instruments

Book values and fair values of the financial instruments on the consolidated balance sheet at end of the fiscal year are the following;

	Book Value	Fair Value	Difference
(1) Cash and deposits	50,864	50,864	-
(2) Trade receivables	130,921	130,921	-
(3) Marketable securities			
Available-for-sale securities	10,023	10,023	-
(4) Short-term loans receivable	24,510	24,510	-
(5) Long-term loans receivable (*1)	19,597		
Allowance for doubtful accounts (*2)	(185)		
	19,412	26,030	6,618
(6) Investment securities			
Available-for-sale securities	82,897	82,897	-
(7) Trade payables	133,599	133,599	-
(8) Short-term loans	38,750	38,750	-
(9) Commercial papers	5,000	5,000	-
(10) Bonds (*3)	191,221	197,268	6,047
(11) Long-term loans (*4)	614,417	616,014	1,596
(12) Derivative financial instruments (*5)	[52,522]	[54,373]	[1,851]

(*1) The book value of long-term loans receivable includes current portion amounting to ¥431 million.

(*2) Allowance identified for long-term loans receivable is deducted.

(*3) The book value of bonds includes current portion amounting to ¥4,190 million.

(*4) The book value of long-term loans includes current portion amounting to ¥62,261 million.

(*5) Amounts of derivative financial instruments are net of asset and liability. Negative amount stated with [].

Notes: 1. The following is a description of the valuation methodologies used for the assets and liabilities measured at

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the fair value.

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

Since these assets are settled in a short term and their fair value is almost equal to the book value, the fair value is evaluated at the book value.

- (3) Marketable securities and (6) Investment securities

The fair value of stocks is evaluated at market prices at stock exchange as of the end of the fiscal year and the fair value of bonds is evaluated at market prices at stock exchange or provided by financial institutions as of the end of the fiscal years.

- (5) Long-term loans receivable

The fair value of long-term loans receivable with variable interest rate is evaluated at the book value because the interest rate reflects the market rate in a short term and their fair value is almost equal to the book value, unless the creditworthiness of the borrower has changed significantly since the loan origination. The fair value of long-term loans receivable with fixed interest rates, for each category of loans based on types 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, (8) Short-term loans and (9) Commercial papers

Since these assets are settled in a short term and their fair value is almost equal to the book value, the fair value is evaluated at the book value.

- (10) Bonds

The fair value of corporate bonds with market price is evaluated based on their market price. The fair value of variable interest rates corporate bonds without market price is evaluated at the book value because the interest rate reflects the market rate in a short term and there has been no significant change in the creditworthiness of us before and after the issue.

- (11) Long-term loans

The fair value of long-term bank loans with variable interest rates is evaluated at the book value because the interest rate reflects the market rate in a short term and there has been no significant change in the creditworthiness of us 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 types, 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 newly taken out. The fair value of long-term bank loans qualifying for allocation method of interest and currency swap is evaluated at the book value because such bank loans were deemed as the variable interest rates bank loans and the interest rate reflects the market rate in a short term.

- (12) Derivative financial instruments

The fair value of derivative financial instruments, which are used for the hedging purposes, is measured based on forward exchange rates prevailing at the end of the fiscal year, information provided by financial institutions, etc. Currency swaps whose transactions are booked in yen by translation at the exchange rate stipulated in the contract are recorded as the combined amount of such currency swaps and their hedged items. Therefore, their fair value is included in fair values of such hedged items.

2. The following table summarizes financial instruments whose fair value is extremely difficult to estimate.

(Millions of yen)

Item	Book Value
Unlisted stocks	7,666
Unlisted foreign bonds	3,200
Others	41
Total	10,908

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 estimate 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 lands) in Tokyo, Osaka and other areas.

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2. Fair value of rental property

(Millions of yen)

Book Value	Fair Value
267,294	356,497

Notes: 1. The book value was calculated as the amount equivalent to the cost for acquisition deducting accumulated depreciation.

2. The fair value is mainly based upon the amount appraised by outside independent real estate appraisers. For other properties, the fair value of land is the amount adjusted using an index that is believed to reflect the market price properly, and that of depreciable assets such as buildings is the amount on consolidated balance sheets.

Per-share Information

- | | |
|-------------------------|------------|
| 1. Net assets per share | 533.27 yen |
| 2. Net loss per share | 21.76 yen |

Material Subsequent Events

There are no applicable matters to report.

Other Notes

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

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Non-consolidated Balance Sheets

(Millions of yen)

Item	As of March 31, 2012	As of March 31, 2011
	Amount	Amount
(Assets)		
Current assets	357,937	392,851
Cash and deposits	16,815	20,934
Trade receivables	83,803	82,648
Short-term loans receivable	102,410	165,133
Advances	14,704	12,897
Marketable securities	10,000	-
Inventories	43,228	37,343
Deferred and prepaid expenses	45,572	43,613
Debts for agency	9,736	11,741
Deferred tax assets	757	1,326
Income taxes receivable	15,076	2,345
Other current assets	16,134	15,295
Allowance for doubtful accounts	(301)	(430)
Fixed assets	618,381	591,126
(Tangible fixed assets)	[118,172]	[90,176]
Vessels	82,975	54,576
Buildings	10,973	11,339
Structures and equipment	729	803
Vehicles and transportation equipment	109	135
Equipment, mainly containers	498	597
Land	20,195	20,461
Vessels and other property under construction	1,064	430
Other tangible fixed assets	1,626	1,830
(Intangible fixed assets)	[7,685]	[6,190]
(Investments and other assets)	[492,523]	[494,759]
Investment securities	74,861	81,511
Investments in and advances to subsidiaries and affiliates	182,919	179,495
Long-term loans receivables	172,986	179,895
Long-term prepaid expenses	17,775	18,323
Deferred tax assets	15,970	-
Long-term lease receivables	19,691	23,412
Other investments and other assets	10,591	14,475
Allowance for doubtful accounts	(2,273)	(2,354)
Total Assets	976,318	983,977

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(Millions of yen)

Item	As of March 31, 2012	As of March 31, 2011
	Amount	Amount
(Liabilities)		
Current liabilities	215,943	258,723
Trade payables	112,480	105,416
Short-term bonds	-	3,000
Short-term loans	62,800	74,204
Other payables	5,606	4,237
Accrued income taxes	-	21,627
Accrued expenses	1,119	1,161
Advances received	15,410	15,100
Accounts receivable from agents	6,003	8,341
Allowance for provision for bonuses	1,682	2,380
Allowance for provisions for directors' bonuses	-	160
Provision for loss on liquidation of subsidiaries and affiliates	234	-
Commercial papers	-	13,000
Other current liabilities	10,605	10,092
Fixed liabilities	201,216	127,479
Bonds	115,000	85,000
Long-term loans	81,725	27,889
Allowance for employees' retirement benefits	84	93
Allowance for directors' and corporate auditors' retirement benefits	120	124
Deferred tax liabilities	-	5,365
Other fixed liabilities	4,286	9,006
Total Liabilities	417,159	386,202
(Net Assets)		
Owners' equity	539,031	579,705
Common stock	65,400	65,400
Capital surplus	44,472	44,502
Additional paid-in capital	44,371	44,371
Other capital surplus	100	130
Retained earnings	436,190	476,865
Legal earnings reserve	8,527	8,527
Other retained earnings	427,662	468,337
Reserve for special depreciation	2,497	2,874
Reserve for overseas investment loss	42	41
Reserve for advanced depreciation	743	471
Reserve for special account for advanced depreciation	5	-
General reserve	445,630	395,630
Retained earnings (losses) brought forward	(21,255)	69,320
Treasury stock, at cost	(7,031)	(7,062)
Accumulated gains from valuation and translation adjustments	18,122	16,198
Unrealized gains on available-for-sale securities, net of tax	17,081	15,096
Unrealized gains on hedging derivatives, net of tax	1,041	1,102
Share subscription rights	2,005	1,870
Total Net Assets	559,159	597,774
Total Liabilities and Total Net Assets	976,318	983,977

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Non-consolidated Statements of Income

(Millions of yen)

Item	FY2011	FY2010
	(From April 1, 2011 to March 31, 2012)	(From April 1, 2010 to March 31, 2011)
	Amount	Amount
Shipping and other operating revenues		
Shipping revenues		
Freight	811,108	914,032
Charter fees	225,475	245,650
Other shipping revenues	26,817	27,750
Total	1,063,401	1,187,433
Other operating revenue	1,076	1,154
Total shipping and other operating revenues	1,064,478	1,188,587
Shipping and other operating expenses		
Shipping expenses		
Voyage expenses	521,356	492,951
Vessels	11,957	12,111
Charter fees	480,802	490,634
Other shipping expenses	84,811	84,775
Total	1,098,927	1,080,472
Other operating expenses	771	789
Total shipping and other operating expenses	1,099,698	1,081,262
Gross operating income (loss)	(35,219)	107,325
Selling, General and administrative expenses	29,769	29,175
Operating income (loss)	(64,989)	78,149
Non-operating income		
Interest and dividend income	27,731	25,607
Others	3,469	1,721
Total non-operating income	31,200	27,328
Non-operating expenses		
Interest expense	2,405	2,380
Others	2,754	2,977
Total non-operating expenses	5,159	5,358
Ordinary income (loss)	(38,947)	100,120
Extraordinary profits		
Gain on sales of fixed assets	3,056	1,190
Gain on sales of investment securities	3	881
Gain on sales of securities issued by subsidiaries and affiliates	-	939
Gain on liquidation of subsidiaries and affiliates	58	101
Reversal of allowance for doubtful accounts	-	157
Cancellation fee for chartered vessels	86	1,939
Gain on sales of goodwill	1,018	-
Others	495	356
Total extraordinary profits	4,718	5,565
Extraordinary losses		
Loss on disposal of fixed assets	98	355
Loss on valuation of investment securities	8,182	83
Loss on valuation of securities issued by subsidiaries and affiliates	5,932	10,118
Loss on liquidation of subsidiaries and affiliates	391	7
Cancellation fee for chartered vessels	341	12,045
Provision of allowance for doubtful accounts	146	671
Others	2,255	3,901
Total extraordinary losses	17,348	27,183
Income (loss) before income taxes	(51,577)	78,502
Income taxes - current	(190)	27,448
Income taxes - deferred	(19,683)	1,613
Net income (loss)	(31,704)	49,439

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Non-consolidated Statement of Changes in Net Assets

(Millions of yen)

	FY2011 (From April 1, 2011 to March 31, 2012)
Owners' equity	
Common stock	
Balance at April 1, 2011	65,400
Changes during the fiscal year	
Total changes during the fiscal year	-
Balance at March 31, 2012	65,400
Capital surplus	
Additional paid-in capital	
Balance at April 1, 2011	44,371
Changes during the fiscal year	
Total changes during the fiscal year	-
Balance at March 31, 2012	44,371
Other capital surplus	
Balance at April 1, 2011	130
Changes during the fiscal year	
Disposal of treasury stock	(29)
Total changes during the fiscal year	(29)
Balance at March 31, 2012	100
Total capital surplus	
Balance at April 1, 2011	44,502
Changes during the fiscal year	
Disposal of treasury stock	(29)
Total changes during the fiscal year	(29)
Balance at March 31, 2012	44,472
Retained earnings	
Legal earnings reserve	
Balance at April 1, 2011	8,527
Changes during the fiscal year	
Total changes during the fiscal year	-
Balance at March 31, 2012	8,527
Other retained earnings	
Reserve for special depreciation	
Balance at April 1, 2011	2,874
Changes during the fiscal year	
Reversal of reserve for special depreciation	(629)
Increase of reserve due to the change of effective tax rate	251
Total changes during the fiscal year	(377)
Balance at March 31, 2012	2,497
Reserve for overseas investment loss	
Balance at April 1, 2011	41
Changes during the fiscal year	
Reversal of reserve for overseas investment loss	(2)
Increase of reserve due to the change of effective tax rate	3
Total changes during the fiscal year	0
Balance at March 31, 2012	42

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	FY2011 (From April 1, 2011 to March 31, 2012)
Reserve for advanced depreciation	
Balance at April 1, 2011	471
Changes during the fiscal year	
Provision of reserve for advanced depreciation	241
Reversal of reserve for advanced depreciation	(10)
Increase of reserve due to the change of effective tax rate	41
Total changes during the fiscal year	271
Balance at March 31, 2012	743
Reserve for special account for advanced depreciation	
Balance at April 1, 2011	-
Changes during the fiscal year	
Provision of reserve for special account for advanced depreciation	5
Total changes during the fiscal year	5
Balance at March 31, 2012	5
General reserve	
Balance at April 1, 2011	395,630
Changes during the fiscal year	
Provision of general reserve	50,000
Total changes during the fiscal year	50,000
Balance at March 31, 2012	445,630
Retained earnings (losses) brought forward	
Balance at April 1, 2011	69,320
Changes during the fiscal year	
Dividends paid	(8,970)
Net loss	(31,704)
Reversal of reserve for special depreciation	629
Reversal of reserve for overseas instrument loss	2
Provision of reserve for advanced depreciation	(241)
Reversal of reserve for advanced depreciation	10
Increase of reserve due to the change of effective tax rate	(296)
Provision of reserve for special account for advanced depreciation	(5)
Provision of general reserve	(50,000)
Total changes during the fiscal year	(90,576)
Balance at March 31, 2012	(21,255)
Total retained earnings	
Balance at April 1, 2011	476,865
Changes during the fiscal year	
Dividends paid	(8,970)
Net loss	(31,704)
Reversal of reserve for special depreciation	-
Reversal of reserve for overseas instrument loss	-
Provision of reserve for advanced depreciation	-
Reversal of reserve for advanced depreciation	-
Increase of reserve due to the change of effective tax rate	-
Provision of reserve for special account for advanced depreciation	-
Provision of general reserve	-
Total changes during the fiscal year	(40,674)
Balance at March 31, 2012	436,190

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	FY2011 (From April 1, 2011 to March 31, 2012)
Treasury stock, at cost	
Balance at April 1, 2011	(7,062)
Changes during the fiscal year	
Repurchase of treasury stock	(28)
Disposal of treasury stock	58
Total changes during the fiscal year	30
Balance at March 31, 2012	(7,031)
Total owners' equity	
Balance at April 1, 2011	579,705
Changes during the fiscal year	
Dividends paid	(8,970)
Net loss	(31,704)
Repurchase of treasury stock	(28)
Disposal of treasury stock	28
Total changes during the fiscal year	(40,674)
Balance at March 31, 2012	539,031
Accumulated gains from valuation and translation adjustments	
Unrealized gains on available-for-sale securities, net of tax	
Balance at April 1, 2011	15,096
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	1,985
Total changes during the fiscal year	1,985
Balance at March 31, 2012	17,081
Unrealized gains on hedging derivatives, net of tax	
Balance at April 1, 2011	1,102
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	(60)
Total changes during the fiscal year	(60)
Balance at March 31, 2012	1,041
Total accumulated gains from valuation and translation adjustments	
Balance at April 1, 2011	16,198
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	1,924
Total changes during the fiscal year	1,924
Balance at March 31, 2012	18,122
Share subscription rights	
Balance at April 1, 2011	1,870
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	134
Total changes during the fiscal year	134
Balance at March 31, 2012	2,005
Total net assets	
Balance at April 1, 2011	597,774
Changes during the fiscal year	
Dividends paid	(8,970)
Net loss	(31,704)
Repurchase of treasury stock	(28)
Disposal of treasury stock	28
Net increase/decrease during the term except in owners' equity	2,058
Total changes during the fiscal year	(38,615)
Balance at March 31, 2012	559,159

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3. Disposition method of deferred assets

Bond issue expenses

The entire amount is expensed as incurred.

Stock issue expenses

The entire amount is expensed as incurred.

4. Accounting for allowances

Allowance for doubtful accounts

Provided for losses on ordinary receivables using the historical default rate and provided for losses on specific receivables where there is a possibility of default based on the estimated amount of uncollectible receivables on an individual basis.

Allowance for provision for bonuses

Provided for bonus payments to employees based on the estimated amounts of future payments attributed to the fiscal year under review.

Provision for loss on liquidation of subsidiaries and affiliates

Provided for losses accrued due to liquidation of subsidiaries and affiliates based on the estimated losses in the future.

Allowance for employees' retirement benefits

Reserve for retirement benefits to employees are calculated based on the estimates of retirement benefit obligations and pension assets as of the end of the fiscal year under review. Unrecognized actuarial differences are amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over a period no longer than the average remaining service period for employees in service (10 years).

Past service liability is accounted for as expenses in lump-sum at the time of occurrence.

Allowance for directors' and corporate auditors' retirement benefits

To provide for the payment of retirement benefits to directors and corporate auditors, the amount to adequately cover payments at the end of the fiscal year under review is recorded, in accordance with internal regulations. Effective from the conclusion of the Ordinary General Meeting of Shareholders of the Company for FY2004, the Company abolished the retirement benefits plan for directors and corporate auditors. Following the decision in that meeting, the Company recognizes liabilities for retirement benefits for directors and corporate auditors until the conclusion of the shareholders' meeting for FY2004, which will be paid upon their retirement, in accordance with internal regulations.

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.

[Translation for Reference and Convenience Purposes Only]

6. Hedge accounting

Hedge accounting

The Company adopts deferral hedge accounting.

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

Hedging instruments and hedged items

Hedging instruments

Loans payable in foreign currencies

Forward foreign exchange contracts

Currency option contracts

Interest rate swap contracts

Commodities futures

Freight futures

Hedged items

Foreign currency future transactions

Foreign currency future transactions

Foreign currency future transactions

Interest on loans and bonds payable

Fuel oil

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 paid is expensed as incurred, in general. However, in cases where a period from start to completion of construction is long and the scale of investment is significant, interest expenses incurred during the construction period are included in a part of the acquisition cost.

8. Consumption tax and local consumption tax are accounted for by the tax exclusion method.

9. Additional information

For accounting changes and corrections of past errors implemented at and after the beginning of the fiscal year under review, we applied the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, December 4, 2009) and the "Guidance on the Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009).

Changes in Presentations

(Non-consolidated balance sheets)

Although "Income taxes receivable" had been included in "Other current assets" up to the previous fiscal year, the item is separately presented in the fiscal year under review due to the increase in its monetary significance. "Income taxes receivable" for the previous fiscal year was ¥2,345 million.

[Translation for Reference and Convenience Purposes Only]

Notes to Non-consolidated Balance Sheet

1. To subsidiaries and affiliates

Short-term monetary lending	97,822 million yen
Long-term monetary lending	176,386 million yen
Short-term monetary debts	56,126 million yen
Long-term monetary debts	437 million yen

2. Accumulated depreciation on tangible fixed assets 191,653 million yen

3. Assets pledged as collateral and secured obligations

(1) Assets pledged as collateral

Vessels	14,882 million yen
Investment securities	44,030 million yen
Equity securities issued by subsidiaries and affiliates	32,245 million yen
Total	91,158 million yen

(2) Secured obligations

Short-term loans	1,920 million yen
Long-term loans	6,776 million yen
Total	8,696 million yen

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

- Investment securities at ¥43,949 million and equity securities issued by subsidiaries and affiliates at ¥11,143 million were pledged in order to secure losses to be incurred when the Company and our subsidiaries and affiliates cause oil pollution casualties in U.S. ocean area, and obligations for them have not been incurred as of the end of the fiscal year under review.
- Equity securities issued by subsidiaries and affiliates at ¥21,101 million were pledged in order to secure long-term loans and future payment of charter fees of subsidiaries and affiliates.
- Investment securities at ¥81 million were pledged as collateral for long-term loans associated with an LNG carrier project.

4. Contingent liabilities

Guarantee liabilities, etc.	694,087 million yen
(Including guarantee liabilities in foreign currency)	306,878 million yen)
Burden on other joint debtors in joint debts	1,702 million yen

Notes to Non-consolidated Statement of Income

Volume of transactions with subsidiaries and affiliates

Volume of operating transactions

Revenues	69,285 million yen
Amount of purchase	296,843 million yen
Transactions other than operating transactions	63,684 million yen

Notes to Non-consolidated Statement of Changes in Net Assets

Class and number of shares of treasury stock at the end of the fiscal year under review

Common stock	10,221,599 shares
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[Translation for Reference and Convenience Purposes Only]

Notes on Deferred Tax Accounting

Significant components of deferred tax assets and liabilities

	(Millions of yen)
Deferred tax assets	
Loss brought forward	19,837
Retained income of specific foreign subsidiaries	6,753
Voluntary adjustment of loss on valuation of securities issued by subsidiaries and affiliates	14,026
Reserve for bonuses expenses	576
Voluntary adjustment of loss on valuation of listed shares	208
Voluntary adjustment of loss on valuation of unlisted shares	341
Voluntary adjustment of loss on valuation of golf club membership	195
Accrued business tax and business place tax	13
Retirement allowances for directors	38
Deferred hedge losses	731
Excess of provision of allowance for doubtful accounts	391
Others	3,392
Total of deferred tax assets	<u>46,504</u>
Valuation allowance	<u>(15,358)</u>
Net deferred tax assets	31,145
Deferred tax liabilities	
Reserve deductible for tax purposes when appropriated for special depreciation	(1,161)
Reserve for advanced depreciation	(345)
Gain on securities contributed to employee retirement benefit trust	(3,698)
Unrealized gains on available-for-sale securities	(7,815)
Deferred hedge gains	(1,292)
Others	(103)
Total deferred tax liabilities	<u>(14,417)</u>
Net deferred tax assets	<u><u>16,728</u></u>

[Translation for Reference and Convenience Purposes Only]

Notes on Fixed Assets to Use on Lease

1. Finance lease transactions that commenced on or before March 31, 2008, except those whose ownership deems to transfer to the lessee.

(1) Assumed amounts of acquisition cost, accumulated depreciation and net book value at March 31, 2012
(Millions of yen)

	Acquisition cost	Accumulated depreciation	Net book value
Equipment, mainly containers	34,783	32,300	2,483
Total	34,783	32,300	2,483

(2) Future lease payments equivalent

Amount due within one year	2,616 million yen
Amount due after one year	2,813 million yen
<u>Total</u>	<u>5,429 million yen</u>

(3) Lease payments, depreciation equivalent and interest equivalent

Lease payments	3,139 million yen
Depreciation equivalent	1,885 million yen
Interest equivalent	124 million yen

(4) Calculation of depreciation equivalent

Assumed depreciation amounts are computed using the declining-balance method or the straight-line method in accordance with the depreciation method of each account in balance sheet over the lease terms assuming no residual value.

(5) Calculation of interest equivalent

The excess of total lease payments over acquisition cost equivalents is regarded as amounts representing interest payable equivalents and is allocated to each period using the interest method.

2. Operating lease transactions

Future lease payments

Amount due within one year	9,726 million yen
Amount due after one year	16,348 million yen
<u>Total</u>	<u>26,075 million yen</u>

[Translation for Reference and Convenience Purposes Only]

Notes on Transactions with Related Parties

(Millions of yen)

Attribution	Name of company, etc.	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 Limited	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	72,063	-	-
	MOL Euro-orient Shipping S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	40,694	-	-
	Canopus Maritime Inc.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	31,857	-	-
	Euromol B.V.	Indirectly 100%	Interlocking directorate Debt guarantee	Debt guarantee	30,225	-	-
	Linkman Holdings Inc.	Directly 100%	Interlocking directorate Debt guarantee Funding loan	Debt guarantee Funding loan	26,438 174,801	Short-term loans receivable	- 52,061
	Ural Container Carriers S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	25,718	-	-
	Camellia Container Carrier S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	22,848	-	-
	Galaxy Shipping Navigation S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	18,732	-	-
	Vermintino Shipping Inc.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	14,790	-	-
	Aurora Car Maritime Transport S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	14,318	-	-
	Snowscape Car Carriers S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	14,291	-	-
	Polar Express S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	13,970	-	-
	Eligible Tankers S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	12,459	-	-
	Aeolus Maritime INC.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	12,195	-	-
	Taurus Transport & Marine S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	12,091	-	-
	Cygnat Bulk Carriers S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	11,836	-	-
	Nefertiti LNG Shipping Co., Ltd.	Directly 70%	Interlocking directorate Debt guarantee	Debt guarantee	11,813	-	-
	Cleopatra LNG Shipping Co., Ltd.	Directly 70%	Interlocking directorate Debt guarantee	Debt guarantee	11,700	-	-
	Phoenix Tankers Pte. Ltd.	Directly 100%	Entrusting ship operations Undertaking ship operations Debt guarantee	Debt guarantee	10,588	-	-
	Perennial Transport Inc.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	10,518	-	-
Kilimanjaro Container Carriers S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	10,049	-	-	

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

(1) As for debt guarantees, Euromol B.V. is required to pay guarantee charges, decided based on market interest rates and other conditions. Other companies are required neither to pay guarantee charges nor to pledge collateral.

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

2. Consumption taxes are not included in transacted amount.

[Translation for Reference and Convenience Purposes Only]

Per-share Information

1. Net assets per share	465.82 yen
2. Net loss per share	26.51 yen

Material Subsequent Events

There are no significant matters to report.

Other Notes

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