

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, 2010 to March 31, 2011)

1. Matters Concerning the Present State of the Corporate Group

(1) Business Progress and Results

1) General Business Climate

The global economy continued its moderate recovery trend during the fiscal year under review, although there were concerns about an economic slowdown due to the financial problems in Europe and the rise in price of crude oil caused by the unrest in the Middle East. In the U.S., there was much cause for concern, such as the stagnant housing market and the high unemployment rates. Nevertheless, the economy maintained a tone of recovery thanks to strong personal consumption and the expansion of corporate activities backed by the government's expansive financial policy. In Europe, a robust export-led recovery continued despite the smoldering financial problems. China managed to maintain high growth supported by strong domestic and overseas demand while avoiding the threat of economic overheating. Meanwhile, in Japan, an increase in personal consumption due to economic stimulus measures and others and strong exports initially underpinned growth, but a decline in exports caused by a sharp appreciation of the yen left the economy remaining at a standstill. Also, the Great East Japan Earthquake that occurred on March 11, 2011 has created a greater level of uncertainty about the future of the Japanese economy.

The average exchange rate of Japanese yen against the US dollar during the fiscal year under review appreciated by ¥6.77 year on year to ¥86.48/US\$. The average bunker price during the fiscal year under review rose by US\$84/MT to US\$490/MT, which, like the exchange rate, negatively impacted our profits.

In the shipping market, the dry bulker market fluctuated considerably due to the effect of the price trends of iron ore. Subsequently, in January and thereafter, the market slumped caused primarily by the floods in eastern Australia. The tanker market was stagnant, affected by deliveries of new vessels and other factors. The automobile transport business moved on an upward trend owing to the gradual recovery of the global economy. However, because of the strong yen, the cargo volume originating from Japan did not grow further. In the containership business, principal cargo trade was lifted by the economic recovery.

As a result of the above, revenue increased 14.5% year on year to ¥1,543.6 billion, operating income increased 489.3% year on year to ¥123.4 billion, ordinary income increased 401.9% year on year to ¥121.6 billion and net income increased 358.1% year on year to ¥58.2 billion. We managed to achieve this strong performance despite large fluctuations in the business environment.

2) Business Overview by Segment

Bulkships

<Dry Bulkers>

In the dry bulker market, the hire rate of Cape-size bulkers fluctuated considerably. After peaking in June at above US\$59,000/day, it plummeted as low as the US\$12,000/day level in July. Then in the third quarter of FY2010, a rise in activity of iron ore exported from Brazil, a long-distance source, led to the market rebounding to the range of between US\$25,000/day and US\$45,000/day. However, in the fourth quarter of FY2010, the market was affected by floods that occurred in eastern Australia in December, a cyclone in western Australia, and a decline in shipping volume caused by bad weather conditions and work to improve terminal equipment at various ports in Brazil. These factors caused a significant decrease in cargo trade in January and February 2011, with the rate temporarily falling as low as the US\$4,000/day level. Although cargo trade recovered in March, it still has not achieved a full-scale recovery due to the continuing sense that there is an excessive number of vessels. Under such circumstances, in our coal and iron ore carrier segment we conducted a wide range of sales activities from securing medium- to long-term exclusive vessel contracts and spot contracts mainly with major customers and obtained new contracts in rapidly growing regions such as China and India. Although we secured stable profits through these active sales efforts, profits decreased compared to the previous year.

The tramp market from Panamax on down, on the other hand remained strong until about June owing to a steady stream of cargo trade that accompanied the economic growth in emerging countries and the gradual recovery of the global economy. Subsequently, however, the impacts from India's regulations on iron ore exports, the floods in eastern Australia, and the soaring bunker prices caused low-level conditions overall. Yet as we strove to maximize profit by increasingly assigning vessels to the regions of the Atlantic Ocean where there is comparatively higher demand, revenue and profit increased year on year. In our wood chip carrier segment, we managed to increase both revenue and profit year on year with an enhanced fleet size containing newly delivered vessels, a favorable environment due to a rise in spot markets caused by strong activity in soybean meal cargo trade, and the ongoing cost reductions such as those achieved by reviewing and curtailing ship costs. In the power-generation coal carriers segment, against the backdrop of strong demand for coal for power generation accompanying the hot summer, newly delivered vessels with long-term contracts and the acquisition of medium- to long-term contracts gave rise to stable revenue, which resulted in an increase in both revenue and profit year on year.

As a result of the above, although we secured stable profits in the dry bulker segment, profit declined on the whole mainly because of the deterioration in the Cape-size bulker market.

<Tankers/LNG Carriers>

In the tanker segment, demand recovered, however negative factors such as the ongoing deliveries of new vessels and the return to the spot market of VLCCs, which were used for crude oil storage purposes, led to a slump in the VLCC market from the summer. The product tanker market continued to be sluggish overall as it was still being impacted by the large volume of new vessels in 2009. Under these conditions, the segment continued with various measures carried forward from the previous fiscal year such as reducing fuel costs by slow steaming and cutting ship costs. Despite these efforts, and dealing with the additional impact of soaring bunker prices from the end of 2010, the tanker segment posted a loss.

The LNG carrier segment was supported by stable revenue from long-term transport contracts and delivered a performance that was largely unchanged from that of the previous fiscal year, although the tendency of supply to exceed demand continued and the spot market remained sluggish.

<Car Carriers>

In the car carrier segment, although the cargo trade of completed cars from the Far East followed a path of recovery due to the effect of the gradual recovery of the global economy led mainly by the emerging economies, trade volume from Japan did not increase further from the second half of the fiscal year due to the added impact of the sharp rise in the yen that occurred from July onwards. Under these circumstances, efforts were made to reduce various costs such as by slow steaming and improving efficiency of vessel assignment, and as a result, the segment managed to return to profitability.

Containerships

In the containerships business, we continued, also during FY2010, to implement various measures such as cutting costs through saving fuel by slow steaming as well as reducing cargo expenses, and improving efficiency through the optimization of our organization both in Japan and overseas all in an effort to enhance our cost competitiveness. The principal cargo trade which was lifted by the economic recovery, improved considerably from the previous fiscal year, namely for routes from Asia to North America, Europe, South America and Africa, and improved slightly from the previous fiscal year for Intra-Asia trade, which was fast to recover from the Lehman Shock. Cargo trade has decreased sharply since the second half of FY2008, and we have worked to reduce and optimize our fleet size. However, we took an opportunity to expand cargo trade during the fiscal year under review and worked to establish and enhance new services in a timely fashion. That is, in addition to newly opening the Asia-North American East Coast route via the Suez Canal and strengthening services in the Asia-North American North-West Coast route and Asia-South American West Coast route, we reorganized the Japan and South China-Europe route and became the first Japanese shipping company to add Vietnam as a direct port of call on European routes. In the Intra-Asia route, by effectively utilizing space on existing services, we enhanced our services for routes within the region. As a result, we managed to be significantly profitable in the fiscal year under review.

Regarding Terminal operations, in our existing independent container terminals at four locations in Japan (Tokyo, Yokohama, Osaka and Kobe) and three locations overseas (Los Angeles, Oakland and Jacksonville in North America), the increase in handling volume that accompanied a recovery in cargo trade contributed to increased profit year on year. In addition, we started operations of a container terminal with the Cai Mep region in Vietnam in January 2011, which was constructed after the establishment of the joint venture company in FY2009.

In Logistics, the air cargo transport business had higher profits year on year against the backdrop of the expanding economy in emerging economies, particularly in Asia. Our buyers' consolidation service (see note) increased its handling volume as a result of active expansion of the customer base and saw higher profits year on year.

As a result, the containership segment overall improved its performance considerably from the previous fiscal year, returning the segment to profitability.

Note: A logistics service supporting buyers by mix-loading products manufactured in various factories primarily in China and other Asian countries in containers at delivery locations on behalf of buyers consisting mainly of major European and U.S. retailers and apparel suppliers, and transporting the products to the buyers.

Ferry and Domestic Transport

In the ferry business, amid signs of economic recovery, we carried on from the previous fiscal year thorough rationalization efforts such as reducing the number of ships and curtailing personnel costs, as well as changing ports of call to acquire new cargo trade, thereby reducing our loss. However, it was not enough to return to profitability. In the domestic transport business, although profit increased year on year as a result of a recovery of cargo trade such as steel material due to a market recovery and stable performance of dedicated bulk transport, performance overall in the ferry and domestic transport segment posted a loss, as was the case in the previous fiscal year.

Associated Businesses

In the real estate business, although high vacancy rates generally continued in the rental office market, Daibiru Corporation, the core company in our real estate business, maintained high occupancy rates mostly at office buildings in prime central locations of the midtown area, allowing us to maintain robust performance. The cruise ship business struggled to attract customers, particularly for extended ocean cruises, and it posted a loss. In the tugboat business, performance was strong overall for both Japanese and overseas operations. A new tugboat business consisting of two large tugboats was started in Vietnam in October 2010. As a result, profit in the overall associated businesses segment increased year on year.

Others

Other businesses, which are mainly cost centers, include ship operations, ship management, ship chartering, 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 Business	Revenues (millions of yen)	Composition ratio (%)
Bulkships	790,572	51.21
Containerships	586,649	38.00
Ferry and Domestic Transport	50,089	3.24
Associated Businesses	108,447	7.03
Others	7,901	0.51
Total	1,543,660	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.

2) Capital Investment

The Group's capital investment, mainly in ships, implemented in the fiscal year under review amounted to approximately ¥220.4 billion.

(Millions of yen)

Name of Segment	Amount of Capital Investment
Bulkships	136,262
Containerships	38,604
Ferry and Domestic Transport	1,316
Associated Businesses	41,187
Others	2,342
Adjustment	730
Total	220,443

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.

14 vessels including bulkships, ferries and domestic transport ships were sold and removed.

Sale, etc. of Vessels

Name of Segment	Number of Vessels	Deadweight Tons (in thousands)	Book Value (millions of yen)
Bulkships	12	823	2,501
Ferry and Domestic Transport	1	4	49
Others	1	42	133
Total	14	870	2,684

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

2. One (1) out of 12 bulkships was removed.

(3) Financial Position and Results of Operations

(Millions of yen)

Category	FY2007	FY2008	FY2009	FY2010 (current fiscal year)
Revenues	1,945,696	1,865,802	1,347,964	1,543,660
Ordinary income	302,219	204,510	24,234	121,621
Net income	190,321	126,987	12,722	58,277
Net income per share (yen)	159.14	106.13	10.63	48.75
Total assets	1,900,551	1,807,079	1,861,312	1,868,740
Total net assets	751,652	695,021	735,702	740,247

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

(4) Issues to Be Addressed

Regarding the future business environment surrounding the MOL Group, in addition to concerns about the impact of a large number of new vessels' deliveries and the pirate situation off the coast of Somalia, there are clouds of uncertainty regarding the future maritime shipping market such as the unrest in the Middle East and an accompanying surge in the price of crude oil, and the impact of the Great East Japan Earthquake that occurred in March this year. On the other hand, the IMF has projected for 2011 a high 4.4% growth rate of the world economy and a remarkable 6.5% growth rate of the emerging economies. We therefore believe that the chance for growth exists in the global market, especially in the emerging economies. Under such circumstances, the Company will be excellent and resilient in responding to the changing business environment by using as a base its stable profits accumulated over many years while pursuing the three-year mid-term management plan, "GEAR UP! MOL", which commenced in FY2010 under the main theme of "Challenging to Create New Growth" to implement the three most important initiatives of (1) "recovery from economic crisis and acceleration of business development in growing markets", (2) "enhance safe operation" and (3) "environmental strategy".

In our first objective of "recovery from economic crisis and acceleration of business development in growing markets", we will enhance business activities globally in each business segment in an effort to meet transport demand in China, India, Asian countries, South America and other emerging markets worldwide. As a base to support this strategy, we will further strengthen our business intelligence (information gathering and analytical capabilities), which will form the basis for our business decisions. In addition, the Company will continue striving to maximize profits and cash flows by not only to further promote cost reductions but also by consolidating our restructuring efforts in the containership business, which returned to profitability in the fiscal year under review. In order to achieve full utilization of the Group's synergized resources and enhance competitiveness, we will continue to effect the reorganization and integration of Group companies. Through these activities, the Company will continually improve its financial position and enhance credibility to differentiate itself and succeed over its competitors.

In our second initiative to "enhance safe operation", we will promote the quantification of safety and will continue to exert efforts in realizing the "4 Zeros" approach (i.e. zero fatal accidents, zero serious marine incident, zero oil pollution, and zero cargo damage). Moreover, to implement various measures geared towards strengthening our safety operation framework, we will invest ¥24 billion over the three-year period from FY2010 to FY2012. 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.

In our third key area of "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 by 10% by FY2015 compared to FY2009. The Company will also promote the

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focus of its employees on protection of biodiversity and the natural environment. In addition, it drives any activities, technological developments and social contributions which help to achieve it. We plan to invest ¥28 billion over the three years from FY2010 for the development and implementation of environmental technologies. As for our system to promote our environmental measures, we have introduced our unique environmental management system “MOL EMS21” and acquired ISO14001 certification, the international standard for environmental management systems. We also have the original “MOL Group Environmental Target System”, which involves the 58 main domestic Group companies along with 18 overseas affiliates to advance environmental conservation activities at each of the Group. Sixteen of the Group companies have acquired the “Green Management Certification”, an environmental management certification system recommended by the Japanese Ministry of Land, Infrastructure, Transport and Tourism, as of the end of the fiscal year 2010.

Furthermore, 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 (Corporate Social Responsibility) activities, compliance, and supervision and audit of management by highly independent outside officers.

With respect to our social contribution activities as part of our approach to CSR, we regard transport of aid supplies and monetary contributions in disaster situations caused by large earthquakes and tsunami tidal waves, marine and global environmental protection, marine education and international cooperation, as the main areas of such activities. To provide assistance to those who have suffered in the Great East Japan Earthquake and help in the restoration of devastated areas, the MOL Group provided supports in various ways such as monetary contributions as relief funds, emergency transport of personnel and vehicles of the Japan Self-Defence Forces by MOL Ferry Co., Ltd., procurement, delivery and gratis provision of emergency support goods, free transportation of international aid supplies, and the provision of bathing facilities free of charge, free meals and other support by the cruise ship Fuji Maru. We will proactively continue to engage in social contribution activities well related to our business area.

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

- (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, 2011)

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, 2011)

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, 2011)

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	134	in thousands 7,600	114	in thousands 15,083	21	in thousands 1,348
Chartered vessels	354	27,875	117	5,166	83	3,960
Others	0	0	2	143	0	0
Total	488	35,475	233	20,392	104	5,308

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	286	in thousands 24,129
Chartered vessels	24	64	0	0	2	13	580	37,078
Others	3	3	0	0	0	0	5	146
Total	42	155	1	5	3	19	871	61,354

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(8) Employees (As of March 31, 2011)

1) Employees of the Group

Name of Segment	Number of Employees	
Bulkships	1,273	(142)
Containerships	4,446	(492)
Ferry and Domestic Transport	1,008	(125)
Associated Businesses	1,977	(1,436)
Others	436	(66)
Company-wide (common)	298	(70)
Total	9,438	(2,331)
As of March 31, 2010	9,707	(2,470)

- 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	644	18	39.0	15.7
Employees on sea duty	292	3	34.4	11.6
Total	936	21	37.6	14.4

- Notes: 1. The number of employees on land duty does not include 424 employees dispatched outside the Company, 21 contractors and 141 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, 2011)

Company	Paid-in Capital (millions of yen)	Percentage of Equity Participation (%)	Principal Business
Daibiru Corporation	12,227	*50.95	Real estate business
Utoc Corporation	1,455	*51.01	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	92.38	Marine transportation business
International Container Terminal Co., Ltd.	700	*100.00	Harbor and 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	Sales of marine passengers and cargo transport 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.
3. As a surviving company, Utoc Corporation merged with International Container Terminal Co., Ltd. as of April 1, 2011.

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(10) Major Creditors (As of March 31, 2011)

(Millions of yen)	
Creditor	Loan Outstanding
Development Bank of Japan, Inc.	17,480
Sumitomo Mitsui Banking Corporation	11,757
The Norinchukin Bank	8,799
The Sumitomo Trust and Banking Co., Ltd.	6,686
Mitsubishi UFJ Trust and Banking Corporation	6,503

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

2. Status of Shares (As of March 31, 2011)

(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 10,230,449 shares)

(3) Number of Shareholders 111,465 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.	182,721	15.28
2. The Master Trust Bank of Japan, Ltd.	51,059	4.27
3. Mitsui Sumitomo Insurance Co., Ltd.	38,165	3.19
4. Trust & Custody Services Bank, Ltd.	30,608	2.56
5. Sumitomo Mitsui Banking Corporation	30,000	2.51
6. State Street Bank and Trust Company 505202	27,544	2.30
7. SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	25,556	2.14
8. The Nomura Trust and Banking Co., Ltd.	20,033	1.67
9. Mizuho Corporate Bank, Ltd.	20,000	1.67
10. State Street Bank and Trust Company 505225	16,828	1.41

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 (10,230,449 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
Total number of holders (persons)	2	2	3	5	6	8	10
MOL Directors (excluding outside directors) (persons)	1	1	2	4	4	6	7
MOL Outside Directors (persons)	1	1	1	1	2	2	3
MOL Corporate Auditors (persons)	None	None	None	None	None	None	None
Total number of stock acquisition rights (units)	37	120	160	240	270	360	470
Class and number of shares subject to the stock acquisition rights (shares)	(common stock) 37,000	(common stock) 120,000	(common stock) 160,000	(common stock) 240,000	(common stock) 270,000	(common stock) 360,000	(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
Exercise price (yen per share)	644	762	841	1,962	1,569	639	642
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
Exercise conditions of the stock acquisition rights	(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, 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 to be decided by 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 16, 2010
Total number of employees granted (persons)	90
MOL executive officers (excluding ones concurrently serving as an MOL officer) (persons)	21
MOL employees (excluding one serving as an MOL officer/executive officer) (persons)	36
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)	1,240
Class and number of shares subject to the stock acquisition rights (shares)	(common stock) 1,240,000
Paid-in value at exercise of stock acquisition rights	without consideration
Exercise price (yen per share)	642
Exercise period of the stock acquisition rights	July 31, 2012 to June 21, 2020
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 to be decided by the Board of Directors.

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

The period for exercising “Euro Yen Contingent Conversion Zero Coupon Convertible Bonds with Acquisition Rights due 2011” issued on March 29, 2006 was brought to an end, and the granted stock acquisition rights were redeemed at maturity on March 29, 2011.

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4. Matters Concerning Officers

(1) Directors and Corporate Auditors (As of March 31, 2011)

Position	Name	Assignment	Significant Concurrent Positions Outside the Company
Representative Director, Chairman of the Board, Chairman Executive Officer	Akimitsu Ashida		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	Yoichi Aoki	Assistant to President [Mainly in administrative divisions, Technical Division, LNG Carrier Division], Human Resources Division, Group Business Division, Kansai Area	
Director, Senior Managing Executive Officer	Masafumi Yasuoka	Coal and Iron Ore Carrier Division, Bulk Carrier Division	
Director, Senior Managing Executive Officer	Toshitaka Shishido	Car Carrier Division	
Director, Managing Executive Officer	Tsuneo Watanabe	Tanker Division, Tanker Safety Management Office	
Director	Kunio Kojima		Provided in (3) Matters Concerning Outside Officers below.
Director	Takeshi Komura		Provided in (3) Matters Concerning Outside Officers below.
Director	Sadayuki Sakakibara		Provided in (3) Matters Concerning Outside Officers below.
Full-time Corporate Auditor	Kazumasa Mizoshita		
Full-time Corporate Auditor	Junichi Narita		
Corporate Auditor	Kensuke Hotta		Provided in (3) Matters Concerning Outside Officers below.
Corporate Auditor	Sumio Iijima		Provided in (3) Matters Concerning Outside Officers below.

- Notes:
1. Kunio Kojima, Takeshi Komura and Sakakibara Sadayuki 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. Kensuke Hotta and Sumio Iijima 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. Kensuke Hotta, a corporate auditor, has many years of experience in the financial business at a bank and a securities company, and considerable knowledge about finance and accounting.
 4. Sumio Iijima, a corporate auditor, is familiar with corporate legal affairs as an attorney at law, and has considerable knowledge about finance and accounting.
 5. Tsuneo Watanabe and Sadayuki Sakakibara were newly elected as directors at the Ordinary General

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- Meeting of Shareholders held on June 22, 2010, and assumed their offices.
6. At the conclusion of the Ordinary General Meeting of Shareholders held on June 22, 2010, Director Kenichi Yonetani, Takehiko Yamamoto and Yoko Ishikura resigned from their offices at the expiration of their terms.
 7. Executive officers as of March 31, 2011 are as follows (excluding ones concurrently serving as director).

Executive Officers (As of March 31, 2011)

Position	Name	Assignments
Senior Managing Executive Officer	Hiroshi Tanaka	Research Office Dedicated Bulk Carrier Division
Senior Managing Executive Officer	Kazuhiro Sato	LNG Carrier Division, M.O. 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, M.O. 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	Shugo Aoto	General Affairs Division, Finance Division, Accounting Division, Investor Relations Office
Managing Executive Officer	Junichiro Ikeda	Liner Division
Executive Officer	Kazunori Nakai	Tanker Division
Executive Officer	Masahiro Tanabe	Managing Director of MOL (Europe) B.V.
Executive Officer	Shizuo Takahashi	Internal Audit Office, Secretaries Office, Corporate Planning Division, Public Relations Office, MOL Information Systems, Ltd.
Executive Officer	Masaaki Nemoto	Assistant to Marine Safety Division, Tanker Safety Management Office, MOL LNG TRANSPORT Co., Ltd.
Executive Officer	Kiyotaka Yoshida	General Manager of Technical Division
Executive Officer	Hirokazu Hatta	General Manager of Human Resources Division
Executive Officer	Masatoshi Nakajima	General Manager of Bulk Carrier Division
Executive Officer	Takeshi Hashimoto	General Manager of LNG Carrier Division
Executive Officer	Hiroyuki Fukumoto	General Manager of Car Carrier Division
Executive Officer	Tetsuro Nishio	General Manager of Dedicated Bulk Carrier Division
Executive Officer	Toshiya Konishi	General Manager of Liner Division

(2) Remunerations Paid to Directors and Corporate Auditors

Category	Number of Persons Remunerated	Total Amount of Remunerations Paid (millions of yen)
Directors	13	703
Corporate Auditors	4	103
Total	17	806

Notes: 1. The above includes remuneration related to three (3) directors who resigned upon the conclusion of

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the Ordinary General Meeting of Shareholders held on June 22, 2010.

2. The above includes payments of remunerations to six (6) outside officers totaling ¥68 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 and bonuses paid to directors.
¥95 million for ten (10) directors (including ¥12 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
Kunio Kojima	Attended nine (9) out of 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 financial field, from the objective viewpoint of an outside director.	Advisor, Japan Securities Finance Co., Ltd. Outside Director, Resona Holdings, Inc. Outside Director, JBIS Holdings, Inc.
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 seven (7) out of eight (8) 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 and Representative Member of the Board of Toray Industries, Inc.

[Outside Corporate Auditors]

Name	Major Activities	Significant Concurrent Positions outside the Company
Kensuke Hotta	Attended nine (9) out of ten (10) board meetings and nine (9) out of ten (10) auditor's meetings held in the fiscal year under review, and appropriately made statements necessary for discussion of proposals mainly from the viewpoint of an experienced corporate manager.	Chairman, Hotta Partners Inc. Managing Director, Greenhill & Co. Japan Ltd. Outside Corporate Auditor, Seiren Co., Ltd. Outside Director, Komatsu Ltd.
Sumio Iijima	Attended nine (9) out of ten (10) board meetings and nine (9) out of ten (10) auditor's 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.	Head and an attorney at law, Tokyo Toranomon Law Office Outside Auditor, TKC Corporation Outside Corporate Auditor, Kitagawa Industries Co., Ltd. Outside Corporate Auditor, Isetan Mitsukoshi Holdings, Ltd.

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.

The Company is entrusted part of the marine transport of construction and mining machines from Komatsu Ltd. at which Kensuke Hotta, an outside corporate auditor, serves as an outside director.

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2) Outline of the limited liability contract

Based on the stipulation in Article 427, Paragraph (1) of the Companies Act, the Company has concluded a contract with each outside officer, which stipulates the liability stipulated in Article 423, Paragraph (1) of the Companies Act and is limited to the total amount of items in Article 425, Paragraph (1) of the Companies Act, if he is without knowledge and is not grossly negligent in performing his duties.

5. Status of the Accounting Auditor

(1) Name of Accounting Auditor KPMG AZSA LLC

Note: KPMG AZSA&Co. became a limited liability audit corporation effective July 1, 2010 and changed its name to KPMG AZSA LLC.

(2) Compensations to the Accounting Auditor

(Millions of yen)

	Amount of Compensations Paid
Compensations paid for the fiscal year under review	123
Total of cash and other financial benefits payable by the Company and its subsidiaries to the Accounting Auditor	263

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 is the total amount in the fiscal year under review.

(3) Contents of Non-audit Services

The Company has entrusted to the Accounting Auditor "Preparation of comfort letter" that are services other than ones stipulated in Article 2, Paragraph (1) of the Certified Public Accountant Act (non-audit services).

(4) Company Policy Regarding Dismissal or Decision Not to Reappoint the 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.

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.

(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.

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- 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.

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Consolidated Balance Sheets

(Millions of yen)

Item	As of March 31, 2011	As of March 31, 2010
	Amount	Amount
(Assets)		
Current assets	344,443	352,030
Cash and deposits	65,788	44,147
Trade receivables	128,208	117,483
Marketable securities	29	42,482
Inventories	46,547	38,531
Deferred and prepaid expenses	51,172	52,538
Deferred tax assets	5,752	5,459
Other current assets	47,536	51,752
Allowance for doubtful accounts	(592)	(365)
Fixed assets	1,524,297	1,509,282
(Tangible fixed assets)	[1,257,823]	[1,209,175]
Vessels	744,155	661,716
Buildings and structures	131,288	136,690
Equipment, mainly containers	10,350	12,739
Equipments and parts	3,969	4,790
Land	216,103	185,053
Vessels and other property under construction	150,114	206,431
Other tangible fixed assets	1,841	1,753
(Intangible fixed assets)	[9,187]	[9,079]
(Investments and other assets)	[257,286]	[291,027]
Investment securities	101,055	112,620
Investments in and advances to unconsolidated subsidiaries and affiliates	90,814	97,752
Long-term loans receivables	18,198	28,164
Long-term prepaid expenses	21,917	21,327
Deferred tax assets	7,116	5,509
Other long-term assets	20,855	28,108
Allowance for doubtful accounts	(2,672)	(2,456)
Total Assets	1,868,740	1,861,312

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(Millions of yen)

Item	As of March 31, 2011	As of March 31, 2010
	Amount	Amount
(Liabilities)		
Current liabilities	374,268	355,185
Trade payables	130,752	114,352
Short-term bonds	10,242	55,998
Short-term loans	111,720	99,393
Accrued income taxes	27,409	3,719
Advances received	20,281	23,033
Deferred tax liabilities	93	205
Allowance for provision for bonuses	4,600	4,279
for provisions for directors' bonuses	243	162
for provisions for loss on business liquidation	-	4
Commercial paper	21,500	8,500
Other current liabilities	47,424	45,535
Fixed liabilities	754,225	770,424
Bonds	160,157	153,425
Long-term loans	399,382	441,285
Long-term lease obligations	20,080	-
Deferred tax liabilities	19,441	47,192
Allowance for employees' retirement benefits	14,310	15,052
for Directors' and corporate auditors' retirement benefits	2,027	2,044
for periodic drydocking	16,908	18,709
Other fixed liabilities	121,916	92,715
Total Liabilities	1,128,493	1,125,609
(Net Assets)		
Owners' equity	767,380	719,532
Common stock	65,400	65,400
Capital surplus	44,516	44,522
Retained earnings	664,645	616,736
Treasury stock, at cost	(7,181)	(7,126)
Accumulated other comprehensive income	(106,585)	(60,024)
Unrealized gains on available-for-sale securities, net of tax	14,488	20,999
Unrealized losses on hedging derivatives, net of tax	(68,355)	(45,454)
Foreign currency translation adjustments	(52,718)	(35,569)
Share subscription rights	1,870	1,523
Minority interests	77,581	74,670
Total Net Assets	740,247	735,702
Total Liabilities and Total Net Assets	1,868,740	1,861,312

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Consolidated Statements of Income

(Millions of yen)

Item	FY2010 (From Apr. 1, 2010 to Mar. 31, 2011)	FY2009 (From Apr. 1, 2009 to Mar. 31, 2010)
	Amount	Amount
Shipping and other operating revenues	1,543,660	1,347,964
Shipping and other operating expenses	1,328,959	1,228,478
Gross operating income	214,701	119,485
Selling, general and administrative expenses	91,300	98,546
Operating income	123,400	20,939
Non-operating income		
Interest income	1,580	1,526
Dividend income	3,926	2,789
Equity in earnings of unconsolidated subsidiaries and affiliates	8,174	5,362
Others	3,544	10,317
Total non-operating income	17,226	19,996
Non-operating expenses		
Interest expense	11,371	14,175
Others	7,633	2,525
Total non-operating expenses	19,005	16,701
Ordinary income	121,621	24,234
Extraordinary profits		
Gain on sale of fixed assets	6,359	15,565
Gain on sale of investment securities	1,019	2,939
Cancellation fee for chartered vessels	1,485	3,015
Gain on reversal of reserve for periodic drydocking	765	3,731
Others	1,529	2,307
Total extraordinary profits	11,160	27,559
Extraordinary losses		
Loss on sale, disposal and retirement of fixed assets	6,336	9,383
Impairment loss	10,238	-
Cancellation fee for chartered vessels	11,988	6,968
Others	8,851	7,665
Total extraordinary losses	37,415	24,017
Income before income taxes and minority interests	95,366	27,776
Income taxes - current	36,431	8,078
Income taxes - deferred	(2,797)	3,763
Income before minority interests	61,732	-
Minority interests in earnings of consolidated subsidiaries	3,455	3,211
Net income	58,277	12,722

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Consolidated Statement of Changes in Net Assets

(Millions of yen)

	FY2010 (From April 1, 2010 to March 31, 2011)
Owners' equity	
Common stock	
Balance at March 31, 2010	65,400
Changes during the fiscal year	
Total changes during the fiscal year	-
Balance at March 31, 2011	65,400
Capital surplus	
Balance at March 31, 2010	44,522
Changes during the fiscal year	
Disposal of treasury stock	(5)
Total changes during the fiscal year	(5)
Balance at March 31, 2011	44,516
Retained earnings	
Balance at March 31, 2010	616,736
Changes during the fiscal year	
Dividends paid	(9,569)
Net income	58,277
Due to change in consolidated subsidiaries	(693)
Due to change in affiliates accounted for by the equity method	(365)
Due to change in currencies of consolidated subsidiaries	259
Total changes during the fiscal year	47,909
Balance at March 31, 2011	664,645
Treasury stock, at cost	
Balance at March 31, 2010	(7,126)
Changes during the fiscal year	
Purchases of treasury stock	(88)
Disposal of treasury stock	33
Total changes during the fiscal year	(55)
Balance at March 31, 2011	(7,181)
Total owners' equity	
Balance at March 31, 2010	719,532
Changes during the fiscal year	
Dividends paid	(9,569)
Net income	58,277
Due to change in consolidated subsidiaries	(693)
Due to change in affiliates accounted for by the equity method	(365)
Due to change in currencies of consolidated subsidiaries	259
Purchases of treasury stock	(88)
Disposal of treasury stock	27
Total changes during the fiscal year	47,847
Balance at March 31, 2011	767,380

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Accumulated other comprehensive income	
Unrealized gains on available-for-sale securities, net of tax	
Balance at March 31, 2010	20,999
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	(6,510)
Total changes during the fiscal year	(6,510)
Balance at March 31, 2011	14,488
Unrealized losses on hedging derivatives, net of tax	
Balance at March 31, 2010	(45,454)
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	(22,901)
Total changes during the fiscal year	(22,901)
Balance at March 31, 2011	(68,355)
Foreign currency translation adjustments	
Balance at March 31, 2010	(35,569)
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	(17,149)
Total changes during the fiscal year	(17,149)
Balance at March 31, 2011	(52,718)
Total accumulated other comprehensive income	
Balance at March 31, 2010	(60,024)
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	(46,560)
Total changes during the fiscal year	(46,560)
Balance at March 31, 2011	(106,585)
Share subscription rights	
Balance at March 31, 2010	1,523
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	347
Total changes during the fiscal year	347
Balance at March 31, 2011	1,870
Minority interests	
Balance at March 31, 2010	74,670
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	2,910
Total changes during the fiscal year	2,910
Balance at March 31, 2011	77,581
Total net assets	
Balance at March 31, 2010	735,702
Changes during the fiscal year	
Dividends paid	(9,569)
Net income	58,277
Due to change in consolidated subsidiaries	(693)
Due to change in affiliates accounted for by the equity method	(365)
Due to change in currencies of consolidated subsidiaries	259
Purchases of treasury stock	(88)
Disposal of treasury stock	27
Net increase/decrease during the term except in owners' equity	(43,303)
Total changes during the fiscal year	4,544
Balance at March 31, 2011	740,247

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[Reference Document]

Consolidated Statements of Cash Flows

(Millions of yen)

Items	FY2010 (From April 1, 2010 to March 31, 2011)	FY2009 (From April 1, 2009 to March 31, 2010)
	Amount	Amount
I. Cash flows from operating activities		
Income before income taxes and minority interests	95,366	27,776
Depreciation and amortization	77,445	88,366
Impairment loss	10,238	-
Equity in earnings of unconsolidated subsidiaries and affiliates, net	(8,174)	(5,362)
Loss on write-down of investment securities	499	132
Loss on write-down of investments in affiliates	272	106
Various provisions (reversals)	(1,226)	(352)
Interest and dividend income	(5,507)	(4,315)
Interest expense	11,371	14,175
Gain on the sale of investment securities	(1,017)	(2,893)
Gain on sale and disposal of vessels, property, plant and equipment	(23)	(6,181)
Exchange loss (gain), net	1,689	(3,425)
Changes in operating assets and liabilities		
- Trade receivables	(13,755)	20,114
- Inventories	(8,451)	(9,588)
- Trade payables	18,860	(2,656)
Other, net	22,075	(2,150)
Sub total	199,664	113,744
Cash received for interest and dividend	8,332	10,516
Cash paid for interest	(11,201)	(14,551)
Cash paid for corporate income tax, resident tax and enterprise tax	(15,040)	(16,281)
Net cash provided by operating activities	181,755	93,428
II. Cash flows from investing activities		
Purchase of investment securities	(4,567)	(3,209)
Proceeds from sale and redemption of investment securities	4,845	3,821
Payments for purchases of vessels and other tangible and intangible fixed assets	(217,361)	(212,120)
Proceeds from sale of vessels and other tangible and intangible fixed assets	82,752	72,310
Payments for purchases of subsidiaries' securities due to change in consolidated subsidiaries	-	(49)
Net (increase) decrease in short-term loans receivable	48	16,337
Disbursements for loans receivable	(4,394)	(10,559)
Collections of loans receivable	2,391	1,604
Other, net	1,500	(1,618)
Net cash used in investing activities	(134,785)	(133,483)

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Items	FY2010 (From April 1, 2010 to March 31, 2011)	FY2009 (From April 1, 2009 to March 31, 2010)
	Amount	Amount
III. Cash flows from financing activities		
Net increase (decrease) in short-term bonds	154	(1,902)
Net increase (decrease) in short-term loans	(3,284)	(38,308)
Net increase (decrease) in commercial paper	13,000	(12,000)
Proceeds from long-term bank loans	68,899	131,293
Repayments of long-term bank loans	(94,287)	(67,926)
Proceeds from issuance of bonds	20,000	88,450
Redemption of bonds	(56,533)	(34,549)
Purchase of treasury stock	(88)	(785)
Sale of treasury stock	27	76
Cash dividends paid by the company	(9,618)	(18,574)
Cash dividends paid to minority interests	(1,140)	(2,155)
Other, net	(888)	(1,389)
Net cash provided by (used in) financing activities	(63,759)	42,227
IV. Effect of exchange rate changes on cash and cash equivalents	(3,698)	458
V. Net increase (decrease) in cash and cash equivalents	(20,487)	2,630
VI. Cash and cash equivalents at beginning of year	85,894	83,194
VII. Net cash increase from new consolidation/de-consolidation of subsidiaries	70	2
VIII. Net cash increase in cash from merger of subsidiaries	-	103
IX. Decrease in cash and cash equivalents due to change in accounting period for consolidated subsidiaries	-	(38)
X. Cash and cash equivalents at end of period	65,477	85,894

Notes to Consolidated Financial Statements

Significant Matters for Basis of Preparation of Consolidated Financial Statements

1. Scope of consolidation

- (1) Number of consolidated subsidiaries: 320
- (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 non-consolidated affiliates accounted for by the equity method: 60
- (2) Names of principal non-consolidated 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 non-consolidated 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
Fifty three (53) companies, including ACCORD SHIPPING INC., a newly established company, have been newly included in the scope of consolidation effective the fiscal year under review. Seven (7) companies including SEAROX Kitaichi Co., Ltd. which had been a consolidated subsidiary, were excluded from the scope of consolidation due to sale of shareholding, etc.
- (2) Scope of applying the equity method
(Non-consolidated subsidiary accounted for by the equity method)
MOL (WEST AFRICA) LTD. was excluded from the scope of equity method application due to the completion of its liquidation in the fiscal year under review.
(Affiliates accounted for by the equity method)
Five (5) companies including SRV JOINT GAS LIMITED have been accounted for under the equity method effective the fiscal year under review from the viewpoint of the significance.
Takamatsu Express Co., Ltd. was excluded from the scope of affiliates accounted for by the equity method because the Company transferred its shares.

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(4) Standards of 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

The Company and a part of consolidated domestic subsidiaries provide for bonus payments to directors based on the estimated amounts of future payments.

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) Standards to record 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) Method and period of amortization of goodwill

Goodwill is amortized equally each year over five (5) years after the accrual date, in general. However, goodwill that the Company recognized when MOL-NIC Transport Ltd. merged with former Burmah Transport Holdings Ltd. has been amortized equally each year over the period (14 years) during which it has economic effects.

(8) 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.

(9) Consumption tax and local consumption tax are accounted for by the tax exclusion method.

(10) Other changes to significant matters concerning the basis for preparation of consolidated financial statements.

1) Application of accounting standard for asset retirement obligations

The Company adopts the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 18, March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21, March 31, 2008) effective the fiscal year under review.

The impact of this change is immaterial.

2) Application of accounting standards for business combinations

The Company adopts the Accounting Standard for Business Combinations (ASBJ Statement No. 21, December 26, 2008), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, December 26, 2008), Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No. 23, December 26, 2008), Accounting Standard for Business Divestitures (ASBJ Statement No. 7, December 26, 2008), Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16, December 26, 2008), and Guidance

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on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, December 26, 2008) effective the fiscal year under review. The impact of these changes is immaterial.

3) Changes in the method of presentation (Consolidated balance sheets)

Although “Long-term lease obligations” had been included in “Other fixed liabilities” up to the previous fiscal year, the item is separately presented in the fiscal year under review due to the increase in monetary significance. The amount of “Long-term lease obligations” for the previous fiscal year was ¥15,567 million.

(Consolidated statements of income)

Although “Impairment loss” 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. “Impairment loss” for the previous fiscal year was ¥504 million.

(11) Additional Information

The Company prepares the consolidated financial statements in accordance with the revised Company Calculation Rules as provided in the Ministerial Ordinance for Partial Revision of the the Corporate Accounting Rules (Ordinance of the Ministry of Justice No. 33 of 2010) effective the fiscal year under review.

Notes to Consolidated Balance Sheet

1. Breakdown and amounts of inventories

Raw materials and supplies	45,522 million yen
Other	1,024 million yen

2. Assets pledged as collateral and secured obligations

(1) Assets pledged as collateral

Vessels	187,678 million yen
Buildings and structures	1,843 million yen
Land	1,073 million yen
Investment securities	47,625 million yen
Equity securities issued by subsidiaries and affiliates	26,480 million yen
Others	20 million yen
<hr/>	
Total	264,721 million yen

(2) Secured obligations

Short-term debt	15,188 million yen
Long-term debt	70,615 million yen
<hr/>	
Total	85,804 million yen

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

- Investment securities at ¥47,469 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.
- Equity securities issued by subsidiaries and affiliates at ¥15,336 million were pledged in order to secure long-term debts and future payment of charter fees.
- Investment securities of ¥81 million were pledged as collateral for long-term bank loans associated with an LNG carrier project.

3. Accumulated depreciation of tangible fixed assets

713,711 million yen

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4. Contingent liabilities

Guarantee liabilities, etc.	67,925 million yen
(Including guarantee liabilities in foreign currency)	56,826 million yen)
Burden on other joint debtors in joint debts	3,480 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 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
Total shares:	10,984,135 shares

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 22, 2010	Common stock	3,588	3.0	March 31, 2010	June 23, 2010
Board of Directors' meeting October 29, 2010	Common stock	5,980	5.0	September 30, 2010	November 22, 2010

(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)	Dividend resource	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders June 23, 2011	Common stock	5,980	Retained earnings	5.0	March 31, 2011	June 24, 2011

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 shares:	6,141,000 shares

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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	65,788	65,788	-
(2) Trade receivables	128,208	128,208	-
(3) Marketable securities			
Available-for-sale securities	29	29	-
(4) Short-term loans receivables	1,694	1,694	-
(5) Long-term loans receivables (*1)	29,485		
Allowance for doubtful accounts (*2)	(187)		
	24,298	30,902	6,604
(6) Investment securities			
Available-for-sale securities	90,824	90,824	-
(7) Trade payable	130,752	130,752	-
(8) Short-term bonds	961	961	-
(9) Short-term loans	41,965	41,965	-
(10) Commercial paper	21,500	21,500	-
(11) Bonds(*3)	169,438	174,240	4,802
(12) Long-term loans (*4)	469,138	470,604	1,466
(13) Derivative financial instruments (*5)	[87,850]	[89,818]	[1,967]

(*1) The book value of long-term loans receivable includes current portion amounting to ¥6,286 million.

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

(*3) The book value of bonds includes current portion amounting to ¥9,280 million.

(*4) The book value of long-term bank loans includes current portion amounting to ¥69,755 million.

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

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Notes 1. The following is a description of the valuation methodologies used for the assets and liabilities measured at 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 bonds, (9) Short-term loans and (10) Commercial paper

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.

(11) 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. The fair value of fixed interest rates corporate bonds without market price is evaluated by discounting the total amount of principal and interest using the rate adjusted for the creditworthiness of us and the remaining term. The fair value of corporate bonds qualifying for allocation method of interest and currency swap is evaluated at the book value because such bonds were deemed as the variable interest rates corporate bonds and the interest rate reflects the market rate in a short term.

(12) 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. The fair value of long-term bank loans with fixed interest rates is evaluated by discounting the total amount of principal and interest using the rate which would apply if similar bank loans were newly made. 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.

(13) Derivative financial instruments

Fair values are measured based on forward exchange rates prevailing at the end of the year and information provided by financial institutions, etc. Currency swaps which are applied allocation method are recorded as the combined amount of such currency swaps and their hedge items. Therefore, their fair values are included in fair values of such hedge items.

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

(Millions of yen)

Item	Book Value
Unlisted stocks	6,977
Unlisted foreign securities	3,200
Others	53
Total	10,230

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
264,814	360,994

- 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 | 552.83 yen |
| 2. Net income per share | 48.75 yen |

Material Subsequent Events

There are no applicable matters to report.

Other Notes

1. Additional information

- (1) The Company reviewed the projected useful life of LNG carriers, given that over 20 years have passed since LNG carriers became part of the Company's fleet and adequate data on the use of LNG carriers have become available. Based on this review, the Company found that LNG carriers can be expected to have a longer period of useful life than the number of years conventionally recognized. Therefore, effective the fiscal year under review, the Company adopts 20 years as the period of useful life of LNG carriers based on actual usage.
- As a result, operating income, ordinary income and income before income taxes and minority interests for the fiscal year under review increased by ¥5,500 million respectively compared with the results under the previous method.
- (2) Utoc Corporation and International Container Terminal Co., Ltd., subsidiaries of the Company, merged as of April 1, 2011 with Utoc Corporation as the surviving company. This was based on the resolution at the meeting of the Board of Directors of each company held respectively on December 10, 2010 and followed approval obtained at the extraordinary meeting of shareholders of each company held respectively on February 18, 2011.
- (1) Name and business description of companies subject to business combination
Surviving company: Utoc Corporation (business: harbor and transport business and other activities)
Absorbed company: International Container Terminal Co., Ltd. (business: harbor and transport business and other activities)
 - (2) Date of business combination (effective date)
April 1, 2011
 - (3) Legal form of business combination
Merger in which Utoc Corporation is the surviving company
 - (4) Name of company after business combination
Utoc Corporation
 - (5) Outline of transaction including its purpose
The merger was conducted between Utoc Corporation, which is engaged in a wide range of business activities including plant construction, warehousing and logistics in addition to harbor and transport business, and International Container Terminal Co., Ltd., which has made achievements as a high-quality container terminal operator. This merger thus promotes effective use of management resources and expanded service menus in pursuing aggressive business activities not only in the harbor and transport business but also in the logistics and plant businesses. By so doing,

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the Company will work to enhance the service quality that is well recognized by customers in various sectors in an aim to grow, expand and maximize corporate value.

The transaction underlying the business combination entails allotment of 1.04 shares of common stock of Utoc Corporation for every 1 share of common stock of International Container Terminal Co., Ltd.

(6) Outline of accounting treatment

The accounting treatment for “Transactions under Common Control” will be applied in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21; December 26, 2008) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, December 26, 2008).

2. 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, 2011	As of March 31, 2010
	Amount	Amount
(Assets)		
Current assets	392,851	408,369
Cash and deposits	20,934	8,461
Trade receivables	82,648	76,499
Short-term loans receivable	165,133	162,675
Advances	12,897	14,023
Marketable securities	-	42,000
Inventories	37,343	29,600
Deferred and prepaid expenses	43,613	43,609
Debts for agency	11,741	13,310
Deferred tax assets	1,326	1,166
Other current assets	17,641	17,417
Allowance for doubtful accounts	(430)	(394)
Fixed assets	591,126	601,482
(Tangible fixed assets)	[90,176]	[98,884]
Vessels	54,576	62,411
Buildings	11,339	12,077
Structures and equipment	803	829
Vehicles and transportation equipment	135	222
Equipment, mainly containers	597	780
Land	20,461	19,935
Vessels and other property under construction	430	407
Other tangible fixed assets	1,830	2,218
(Intangible fixed assets)	[6,190]	[5,854]
(Investments and other assets)	[494,759]	[496,743]
Investment securities	81,511	88,659
Investments in and advances to subsidiaries and affiliates	179,495	173,783
Long-term loans receivables	179,895	189,832
Long-term prepaid expenses	18,323	17,430
Long-term lease receivables	23,412	16,672
Other investments and other assets	14,475	12,935
Allowance for doubtful accounts	(2,354)	(2,570)
Total Assets	983,977	1,009,852

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(Millions of yen)

Item	As of March 31, 2011	As of March 31, 2010
	Amount	Amount
(Liabilities)		
Current liabilities	258,723	249,940
Trade payables	105,416	96,112
Short-term bonds	3,000	49,030
Short-term loans	74,204	56,283
Other payables	4,237	4,748
Accrued income taxes	21,627	-
Accrued expenses	1,161	1,510
Advances received	15,100	18,875
Accounts receivable from agents	8,341	7,196
Allowance for provision for bonuses	2,380	2,226
Allowance for provisions for directors' bonuses	160	88
Commercial paper	13,000	-
Other current liabilities	10,092	13,868
Fixed liabilities	127,479	197,025
Bonds	85,000	88,000
Long-term loans	27,889	93,843
Allowance for employees' retirement benefits	93	110
Allowance for directors' and corporate auditors' retirement benefits	124	124
Deferred tax liabilities	5,365	6,543
Other fixed liabilities	9,006	8,404
Total Liabilities	386,202	446,965
(Net Assets)		
Owners' equity	579,705	539,895
Common stock	65,400	65,400
Capital surplus	44,502	44,507
Additional paid-in capital	44,371	44,371
Other capital surplus	130	136
Retained earnings	476,865	436,994
Legal earnings reserve	8,527	8,527
Other retained earnings	468,337	428,467
Reserve for special depreciation	2,874	3,453
Reserve for overseas investment loss	41	41
Reserve for advanced depreciation	471	360
General reserve	395,630	395,630
Retained earnings brought forward	69,320	28,982
Treasury stock, at cost	(7,062)	(7,007)
Accumulated gains from valuation and translation adjustments	16,198	21,467
Unrealized gains on available-for-sale securities, net of tax	15,096	20,876
Unrealized gains on hedging derivatives, net of tax	1,102	590
Share subscription rights	1,870	1,523
Total Net Assets	597,774	562,886
Total Liabilities and Total Net Assets	983,977	1,009,852

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Non-consolidated Statements of Income

(Millions of yen)

Item	FY2010	FY2009
	(From April 1, 2010 to March 31, 2011)	(From April 1, 2009 to March 31, 2010)
	Amount	Amount
Shipping and other operating revenues		
Shipping revenues		
Freight	914,032	741,172
Charter fees	245,650	272,257
Other shipping revenues	27,750	24,986
Total	1,187,433	1,038,416
Other operating revenue	1,154	1,269
Total shipping and other operating revenues	1,188,587	1,039,685
Shipping and other operating expenses		
Shipping expenses		
Voyage expenses	492,951	426,457
Vessels	12,111	18,159
Charter fees	490,634	489,941
Other shipping expenses	84,775	86,010
Total	1,080,472	1,020,568
Other operating expenses	789	771
Total shipping and other operating expenses	1,081,262	1,021,340
Gross operating income	107,325	18,345
Selling, General and administrative expenses	29,175	31,511
Operating income (loss)	78,149	(13,165)
Non-operating income		
Interest and dividend income	25,607	29,253
Others	1,721	6,045
Total non-operating income	27,328	35,299
Non-operating expenses		
Interest expense	2,380	2,860
Others	2,977	2,039
Total non-operating expenses	5,358	4,899
Ordinary income	100,120	17,234
Extraordinary profits		
Gain on sale of fixed assets	1,190	-
Gain on sale of investment securities	881	2,894
Gain on sales of securities issued by subsidiaries and affiliates	939	-
Gain on liquidation of subsidiaries and affiliates	101	7
Reversal of allowance for doubtful accounts	157	33
Cancellation fee for chartered vessels	1,939	2,109
Cancellation charges for fixed interest	-	868
Gain on insurance claim	-	814
Others	356	490
Total extraordinary profits	5,565	7,218
Extraordinary losses		
Loss on disposal of fixed assets	355	512
Loss on disposal of investment securities	-	48
Valuation loss on investment securities	83	75
Valuation loss on securities issued by subsidiaries and affiliates	10,118	5,647
Loss from liquidation of affiliates	7	266
Cancellation fee for chartered vessels	12,045	6,606
Provision for doubtful accounts	671	58
Others	3,901	1,341
Total extraordinary losses	27,183	14,557
Income before income taxes	78,502	9,895
Income taxes-current	29,062	1,629
Net income	49,439	8,266

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Non-consolidated Statement of Changes in Net Assets

(Millions of yen)

	FY2010 (From April 1, 2010 to March 31, 2011)
Owners' equity	
Common stock	
Balance at March 31, 2010	65,400
Changes during the fiscal year	
Total changes during the fiscal year	-
Balance at March 31, 2011	65,400
Capital surplus	
Additional paid-in capital	
Balance at March 31, 2010	44,371
Changes during the fiscal year	
Total changes during the fiscal year	-
Balance at March 31, 2011	44,371
Other capital surplus	
Balance at March 31, 2010	136
Changes during the fiscal year	
Disposal of treasury stock	(5)
Total changes during the fiscal year	(5)
Balance at March 31, 2011	130
Total capital surplus	
Balance at March 31, 2010	44,507
Changes during the fiscal year	
Disposal of treasury stock	(5)
Total changes during the fiscal year	(5)
Balance at March 31, 2011	44,502
Retained earnings	
Legal earnings reserve	
Balance at March 31, 2010	8,527
Changes during the fiscal year	
Total changes during the fiscal year	-
Balance at March 31, 2011	8,527
Other retained earnings	
Reserve for special depreciation	
Balance at March 31, 2010	3,453
Changes during the fiscal year	
Reversal of reserve for special depreciation	(578)
Total changes during the fiscal year	(578)
Balance at March 31, 2011	2,874
Reserve for overseas investment loss	
Balance at March 31, 2010	41
Changes during the fiscal year	
Total changes during the fiscal year	-
Balance at March 31, 2011	41
Reserve for advanced depreciation	
Balance at March 31, 2010	360
Changes during the fiscal year	
Provision of reserve for advanced depreciation	121
Reversal of reserve for advanced depreciation	(9)
Total changes during the fiscal year	111
Balance at March 31, 2011	471

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General reserve	
Balance at March 31, 2010	395,630
Changes during the fiscal year	
Total changes during the fiscal year	-
Balance at March 31, 2011	395,630
Retained earnings brought forward	
Balance at March 31, 2010	28,982
Changes during the fiscal year	
Dividends paid	(9,569)
Net income	49,439
Reversal of reserve for special depreciation	578
Provision of reserve for advanced depreciation	(121)
Reversal of reserve for advanced depreciation	9
Total changes during the fiscal year	40,337
Balance at March 31, 2011	69,320
Total retained earnings	
Balance at March 31, 2010	436,994
Changes during the fiscal year	
Dividends paid	(9,569)
Net income	49,439
Reversal of reserve for special depreciation	-
Provision of reserve for advanced depreciation	-
Reversal of reserve for advanced depreciation	-
Total changes during the fiscal year	39,870
Balance at March 31, 2011	476,865
Treasury stock, at cost	
Balance at March 31, 2010	(7,007)
Changes during the fiscal year	
Repurchase of treasury stock	(88)
Disposal of treasury stock	33
Total changes during the fiscal year	(54)
Balance at March 31, 2011	(7,062)
Total owners' equity	
Balance at March 31, 2010	539,895
Changes during the fiscal year	
Dividends paid	(9,569)
Net income	49,439
Repurchase of treasury stock	(88)
Disposal of treasury stock	27
Total changes during the fiscal year	39,809
Balance at March 31, 2011	579,705
Accumulated gains from valuation and translation adjustments	
Unrealized gains on available-for-sale securities, net of tax	
Balance at March 31, 2010	20,876
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	(5,780)
Total changes during the fiscal year	(5,780)
Balance at March 31, 2011	15,096

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Unrealized gains on hedging derivatives, net of tax	
Balance at March 31, 2010	590
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	511
Total changes during the fiscal year	511
Balance at March 31, 2011	1,102
Total accumulated gains from valuation and translation adjustments	
Balance at March 31, 2010	21,467
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	(5,269)
Total changes during the fiscal year	(5,269)
Balance at March 31, 2011	16,198
Share subscription rights	
Balance at March 31, 2010	1,523
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	347
Total changes during the fiscal year	347
Balance at March 31, 2011	1,870
Total net assets	
Balance at March 31, 2010	562,886
Changes during the fiscal year	
Dividends paid	(9,569)
Net income	49,439
Repurchase of treasury stock	(88)
Disposal of treasury stock	27
Net increase/decrease during the term except in owners' equity	(4,921)
Total changes during the fiscal year	34,887
Balance at March 31, 2011	597,774

Notes to Non-consolidated Financial Statements

Significant accounting policies

1. Standards and methods of valuation of assets

Securities	
Trading securities	Market value method (Calculating cost of securities sold with moving-average method)
Held-to-maturity debt securities	Amortized cost method
Equity securities issued by subsidiaries and affiliates	Stated at cost using the moving-average method
Other securities	
Available-for-sale securities with market value	Market value method based on the market price as of the closing date (Differences in valuation are included directly in net assets and costs of securities sold are calculated using the moving-average method)
without market value	Stated at cost using the moving-average method
Derivative transactions	Market value method
Inventories	Stated at cost using the moving-average method Figures on the balance sheet have been calculated based on the method of reducing the book value in accordance with the decline in profitability.

2. Depreciation methods for fixed assets

Tangible fixed assets (excluding leased assets)	
Vessels	Straight-line method
Buildings and structures	Straight-line method
Other tangible fixed assets	Declining-balance method
Intangible fixed assets (excluding leased assets)	Straight-line method
	As for software for in-house use, the straight-line method is used with a useful life in-house of 5 years. As for goodwill, the amount more than averaged is amortized over five (5) years, in general.
Leased assets	Leased assets related to finance lease transactions that transfer ownership The Company adopts the method consistent with the depreciation method applied on fixed assets owned on its own. Leased assets related to finance lease transactions that do not transfer ownership The Company adopts the straight-line method over the term of the lease assuming no residual value. The Company adopts accounting standards corresponding to the method related to normal rental and lease transactions for finance lease transactions that do not transfer ownership and for which the lease transaction commenced on or before March 31, 2008.

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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. Standards of 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.

Allowance for provisions for directors' bonuses

Provided for bonus payments to directors based on the estimated amounts of future payments.

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. Standards to record freight revenues and related expenses

Containerships:

Recognized by the multiple transportation progress method.

Vessels other than containerships:

Recognized by the completed-voyage method.

6. Hedge accounting

Hedge accounting

The Company adopts deferral hedge accounting.

Special accounting rules are used for interest swaps that 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
Currency swap contracts
Interest rate 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
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. Changes to Accounting Policies

1) Application of accounting standard for asset retirement obligations

The Company adopts the Accounting Standard for Asset Retirement Obligations (ASBJ No. 18; March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21; March 31, 2008) effective the fiscal year under review.

The impact of this change is immaterial.

2) Change in the presentation of gain on sale of fixed assets

Although "Gain on sale of fixed assets" had been included under "Others" of extraordinary profits in the statement of income 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. "Gain on sale of fixed assets" for the previous fiscal year was ¥24 million.

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Notes to Non-consolidated Balance Sheets

1. To subsidiaries and affiliates

Short-term monetary lending	177,983 million yen
Long-term monetary lending	180,878 million yen
Short-term monetary debts	45,039 million yen
Long-term monetary debts	444 million yen

2. Accumulated depreciation on tangible fixed assets 220,081 million yen

3. Assets pledged as collateral and secured obligations

(1) Assets pledged as collateral

Vessels	19,082 million yen
Investment securities	47,551 million yen
Equity securities issued by subsidiaries and affiliates	32,244 million yen
Total	98,878 million yen

(2) Secured obligations

Short-term debt	2,148 million yen
Long-term debt	8,708 million yen
Total	10,856 million yen

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

- Investment securities at ¥47,469 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 debts and future payment of charter fees.
- Investment securities at ¥81 million were pledged in order to secure guarantee with achievement of contract regarding LNG project, and obligations for it have not been incurred as of the fiscal year under review.

4. Contingent liabilities

Guarantee liabilities, etc.	670,687 million yen
(Including guarantee liabilities in foreign currency)	309,848 million yen)
Burden on other joint debtors in joint debts	3,480 million yen

Notes to Non-consolidated Statements of Income

Volume of transactions with subsidiaries and affiliates

Volume of operating transactions

Revenues	67,985 million yen
Amount of purchase	283,053 million yen
Transactions other than operating transactions	26,987 million yen

Notes to Non-consolidated Statements of Changes in Net Assets

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

Common stock	10,230,449 shares
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Notes on Deferred Tax Accounting

Significant components of deferred tax assets and liabilities

	(Millions of yen)
Deferred tax assets	
Retained income of specific foreign subsidiaries	8,899
Voluntary adjustment of valuation loss on securities issued by subsidiaries and affiliates	14,246
Reserve for bonuses expenses	886
Voluntary adjustment of valuation loss on listed shares	244
Voluntary adjustment of valuation loss on unlisted shares	400
Voluntary adjustment of valuation loss on golf club membership	198
Accrued business tax and business place tax	337
Retirement allowances for directors	46
Impairment loss	75
Deferred hedge losses	129
Excess of provision of allowance for doubtful accounts	640
Others	2,599
Total of deferred tax assets	<u>28,706</u>
Valuation allowance	<u>(16,712)</u>
Net deferred tax assets	11,994
Deferred tax liabilities	
Reserve deductible for tax purposes when appropriated for special depreciation	(1,706)
Reserve for advanced depreciation	(279)
Gain on securities contributed to employee retirement benefit trust	(4,338)
Unrealized gains on available-for-sale securities	(8,808)
Deferred hedge gains	(784)
Others	(115)
Total deferred tax liabilities	<u>(16,033)</u>
Net deferred tax liabilities	<u>(4,039)</u>

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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 amount of acquisition cost, accumulated depreciation and net book value at March 31, 2011
(Millions of yen)

	Acquisition cost	Accumulated depreciation	Net book value
Equipment, mainly containers	36,427	32,058	4,369
Total	36,427	32,058	4,369

(2) Future lease payments equivalent

Amount due within one year	2,854 million yen
Amount due after one year	5,077 million yen
<u>Total</u>	<u>7,931 million yen</u>

(3) Lease payments, depreciation equivalent and interest equivalent

Lease payments	3,422 million yen
Depreciation equivalent	2,564 million yen
Interest equivalent	179 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	7,976 million yen
Amount due after one year	15,335 million yen
<u>Total</u>	<u>23,312 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	MOL Euro-orient Shipping S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	41,407	-	-
	Canopus Maritime Inc.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	35,791	-	-
	Euromol B.V.	Indirectly 100%	Interlocking directorate Debt guarantee	Debt guarantee	33,219	-	-
	Galaxy Shipping Navigation S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	22,871	-	-
	White Bear Maritime Limited	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	19,941	-	-
	Aurora Car Maritime Transport S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	17,955	-	-
	Linkman Holdings Inc.	Directly 100%	Interlocking directorate Debt guarantee Funding loan	Debt guarantee Funding loan	16,630 183,709	Short-term loans receivable	- 115,391
	Snowscape Car Carriers S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee Funding loan	Debt guarantee Funding loan	16,420 25,417	Short-term loans receivable Long-term loans receivable	- 998 24,419
	Vermintino Shipping Inc.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	15,380	-	-
	Perennial Transport Inc.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	14,694	-	-
	Nefertiti LNG Shipping Co., Ltd.	Directly 70%	Interlocking directorate Debt guarantee	Debt guarantee	14,667	-	-
	Ural Container Carriers S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee Funding loan	Debt guarantee Funding loan	14,559 14,980	Short-term loans receivable Long-term loans receivable	- 744 14,236
	Polar Express S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	13,851	-	-
	Camellia Container Carrier S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	13,649	-	-
	Paeon Shipping S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	13,176	-	-
	Cygnets Bulk Carriers S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	12,321	-	-
	Sammy Shipping Corporation	Directly 100%	Interlocking directorate Ship chartering Funding loan	Debt guarantee	11,975	-	-
	Kilimanjaro Container Carriers S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee Funding loan	Debt guarantee Funding loan	11,591 11,370	Long-term loans receivable	- 11,370
	Sonata Shipping S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	10,791	-	-
	Daibiru Corporation	Directly 51% Indirectly 0%	Interlocking directorate Funding loan	Funding loan	10,000	-	-
Legend Transport Inc.	Directly 100%	Interlocking directorate Ship chartering Funding loan	Funding loan	10,720	Short-term loans receivable Long-term loans receivable	- 825 9,534	

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 to pay neither guarantee charges nor mortgages.

(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.

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Per-share Information

1. Net assets per share	498.22 yen
2. Net income per share	41.33 yen

Material Subsequent Events

There are no significant matters to report.

Other Notes

1. Additional information

The Company reviewed the projected useful life of LNG carriers, given that over 20 years have passed since LNG carriers became part of the Company's fleet and adequate data on the use of LNG carriers have become available. Based on this review, the Company found that LNG carriers can be expected to have a longer period of useful life than the number of years conventionally recognized. Therefore, effective the fiscal year under review, the Company adopts 20 years as the period of useful life of LNG carriers based on actual usage. As a result, operating income, ordinary income and income before income taxes for the fiscal year under review increased by ¥4,580 million respectively compared with the results under the previous method.

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