[Translation for Reference and Convenience Purposes Only]

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BUSINESS REPORT

(From April 1, 2009 to March 31, 2010)

1. Matters concerning the Present State of the Corporate Group

(1) Business Progress and Results

1) General Business Climate

The fiscal year under review was a transitional period that saw an economic recovery rising from the global recession that followed the collapse of Lehman Brothers in September 2008 ("Lehman Shock"). Developed countries in Europe and North America experienced low personal consumption as well as deteriorated employment conditions, lowering capital investment, an unfavorable housing market and other factors that led to significant negative growth during the first half of FY2009. However, successful economic stimulus measures implemented by various countries in the latter half resulted in the return of positive growth as seen in the reemergence of personal consumption for such items as cars and home appliances and advances in inventory adjustments. China, along with India, Brazil and other emerging countries, propelled the growth of the global economy. China maintained a high 8.7% annualized level of growth led by internal demand in the form of personal consumption and public infrastructure investments and other factors arising due to economic stimulus packages costing RMB4 trillion. Japan, although still in an environment where there is an appreciating yen and deflation, also experienced an improved growth rate as personal consumption improved due to economic stimulus measures in the form of eco-points and eco-car tax credits.

The average exchange rate against the US dollar during the fiscal year under review was ¥93.25, which was a year-on-year appreciation of ¥7.05, and this caused income to shrink. Meanwhile, bunker prices fell to an annual average of US$406/MT down US$122/MT year on year causing income to improve. However, they are currently moving up gradually. In the maritime shipping market, although Cape-size bulker rates fluctuated greatly throughout the fiscal year, demonstrating a market environment with volatile rate fluctuations, ship sizes from Panamax on down gradually improved showing a steady performance.

In the VLCC market, crude oil tankers (VLCC) experienced a turnaround due to increased demand starting at the beginning of 2010, in contrast to the sluggish conditions we experienced up to the end of 2009, caused by the delivery of many new ships and the slower withdrawal of single-hull vessels from the market than expected. Petrochemical product tankers (MR) had constantly low market conditions throughout the year due to economic sluggishness in developed countries. The automobile industry saw a recovery in sales volume due to car purchase promotion measures in various countries implemented after demand significantly receded in the wake of a deteriorating economy. However, cargo trade improved gradually because of factors such as the shift to local production. Containerships, affected by the economic crisis, experienced worsening fleet supply and demand in main East/West routes, among others, and sluggish cargo volume and freight rates resulting in a large deficit estimated at ¥1.5 trillion in the containership industry. Nevertheless, freight rates improved due to the improvement of fleet supply and demand and the deficit decreased because of positive effects from space reductions including lay-ups individually implemented by container companies in the latter half of the fiscal year, as well as a recovery in cargo trade.

As a result of the above, looking at the consolidated results for the fiscal year, revenue amounted to ¥1,347.9 billion while operating income was ¥20.9 billion, ordinary income was ¥24.2 billion and net income was ¥12.7 billion. Thus, we secured a certain amount of profit although it significantly decreased from the previous fiscal year due to a rapid deterioration in the business environment.

2) Business Overview by Segment
Bulkships
<Dry Bulkers>
A decrease in crude steel production after the Lehman Shock caused notable 24% and 30% decreases year on year in Japan and Europe, respectively, in iron ore imports in 2009. Despite this, the crude steel production volume in China, which is the largest iron ore importing country, rose 13% year on year due to government economic stimulus measures, with iron ore imports rising 41%. As a result, the worldwide iron ore cargo trade increased by 7% year on year (approx. 900 millions tons) strongly supported by the increase in the China import. On the fleet supply side, 2009 featured the startup of new shipyards in China, South Korea and other countries that delivered 112 new Cape-size bulkers within that year, a great leap from the 40 to 60 ships annually delivered in past years. The increase in iron ore cargo trade, the strengthening of the ship age and condition qualifications by natural resource mega-mining companies, and an increase in prolonged demurrage at loading and discharging ports, among other factors, generally offset the increased fleet supply, and iron ore carriers secured stable profits. On the other hand, although the tramp market from Panamax on down stayed at low level in the first half of the fiscal year, there was an increase in various raw material cargo trade including coal, grain and nonferrous metals in autumn and beyond. In this way, the market conditions improved steadily and helped our profits. Income from woodchip carriers also contributed profits for the full year as a result of efforts to reduce costs, such as by revising ship costs and assigning ships effectively, despite the lackluster market conditions in the first half of the fiscal year. Coal carriers have secured stable revenues due to an expanded fleet with two new ships delivered including one scheduled on a long-term contract, as well as new mid- to long-term contracts. As a result of the above, although dry bulkers secured stable profits, revenues and profits decreased compared to the previous fiscal year which enjoyed favorable market conditions prior to the Lehman Shock.

<Tankers/LNG Carriers>
Regarding tankers, the global recession pushed down demand for both crude oil and petrochemical product tankers and new ships were delivered one after another resulting in a continuation of unfavorable conditions, despite ups and downs until the end of 2009. Nevertheless, the VLCC tanker market experienced a recovery after the start of 2010 driven by stronger demand. In such a market environment, as a result of implementing measures such as the early disposal of aging ships, the return of surplus chartered ships to the owners and ship cost reductions, we saw a certain amount of profit in net income for the fiscal year despite a year-on-year decrease in revenue.

LNG carriers continued to expand its fleet scale as four new ships were delivered during the fiscal year. We also made a decision to participate in a new project overseas with our six vessels. Although existing LNG carriers secured stable revenues from long-term contracts, a decrease in profits year on year resulted from the appreciation of the yen.

<Car Carriers>
In the car carrier business, weak demand in major markets such as North America in the first half of the fiscal year continued to push down production due to inventory adjustments, and seaborne trade of completed cars from the Far East dropped to approx. 50% of peak levels. Although a certain level of recovery was seen in the latter half, cargo trade stayed roughly at 60% of peak levels and transportation demand receded substantially throughout the fiscal year. Under such circumstances, we decreased the number of ships through scrapping a surplus of aged vessels or returning them to the owners, reduced operating cost by slow steaming and other measures and improved our ship assignment efficiency by making Nissan Motor Car Carrier Co., Ltd. a consolidated subsidiary.

Containerships
This segment was strongly impacted especially in the first half of the fiscal year by the continued sluggish cargo trade and downward trend in freight rates for all routes from the latter half of the previous fiscal year. Therefore we have taken various measures to improve this income. We returned chartered ships to the owners and laid up or scrapped a surplus of vessels to optimize the fleet size as the cargo volume dropped. In addition, we improved and recovered competitiveness through measures such as revising various costs of terminal handling, feeder and empty container positioning, reducing fuel costs by slow steaming, restructuring domestic and overseas organizations and reviewing their numbers of employees required. Joint operations began for the Asia-North American East Coast route under “The New World Alliance” including us and “Grand Alliance.” We also effectively responded to changes in cargo trade by rerouting

the Asia-West Africa route from a direct service to a transshipment service via European ports. We started calling at Da Chan Bay (Shenzhen, China) on the Japan-Hong Kong-Strait service, and Vietnam was used as a direct port of call by large vessels for the first time on the Asia-North American West Coast route. In addition, a new route was opened linking Chennai, a major market on India's east coast - Thailand Strait-. These and other developments occurred to improve the quality of services to and from growth regions such as China and India for the purpose of meeting various customer needs and thereby improved profitability. Persistent efforts to gain the understanding of customers for the recovery of fair freight rates led to a partial restoration of freight rates particularly from the latter half of the fiscal year. We posted a significant loss for this year. However, the effect of these measures aiming to improve income began to be seen in the latter half of the fiscal year.

Terminal operation business is preparing for a February 2011 startup of a new joint venture terminal operating company in the Cai Mep Container Terminal Project promoted by the Vietnamese government. Peripheral business including existing independent container terminals at four locations in Japan and three overseas and port transport saw a slight decrease in profits year-on-year domestically. However, an increase in handling volume overseas contributed to an increase in overall profits year on year.

In Logistics, the air cargo transport business had lower profits year on year despite a modest recovery in the global economy paired by an upward trend in cargo trade with cost reduction and other measures implemented. The domestic logistics business also experienced a year-on-year decrease in profits reflecting the low trade volume. Meanwhile, we have advanced the formulation and strengthening of our buyer's consolidation service (MCS*) and acquired support from multiple major U.S. retail chains, among other measures that steadily expanded handling volume.

As a result of the above, although the containerships segment posted a ¥56.8 billion consolidated ordinary loss for the year, considering this loss on a quarterly basis, we can see a recovery pattern as it gradually reduces from ¥20 billion to ¥17.5 billion to ¥12.5 billion and finally to ¥6.7 billion from the first quarter to the fourth quarter, respectively.

*(note) MOL Consolidation Service: Logistics service supporting direct buyers of products from China and other Asian countries consisting mainly of major retailers and apparel suppliers in Europe and the U.S.

Ferry and Domestic Transport

Ferry business was greatly affected by the economic slump despite that bunker price, which had placed substantial pressure on income in the previous fiscal year, was relatively stable. To strengthen our Group competitiveness, we made Kansai Kisen Co., Ltd. a wholly-owned subsidiary and integrated its ferry transport business with Diamond Ferry. We also integrated multimodal transport business of MOL Ferry Co., Ltd. with Sea-Road Express Corp. In addition, we rationalized operations by reducing the number of services, revising ports of call, saving fuel consumption and so forth. Despite this, we recorded a loss for the fiscal year under review as we could not offset effects from drastic decreases in passengers and cargo volume due to the recession and an increase in highway toll fee discounts.

Even Domestic Transport experienced sluggish cargo trade in the first half of the fiscal year due to the economic slump. Nevertheless, a profit was attained as cargo trade for steel material and other items recovered in the latter half and costs were cut by reducing charter fees.

The above resulted in a deficit overall in the Ferry and Domestic Transport segment caused by the loss of Ferry business in the fiscal year.

Associated Businesses

In the real estate business, Daibiru Corporation, the core company in our real estate business, kept vacancy rates low mostly at office buildings in prime central Tokyo locations allowing us to maintain a relatively robust performance, although vacancy rates continued an upward trend overall in the rental office market affected by the economic slump. The cruise ship business posted losses since the operation of the Nippon Maru was suspended for 4 months due to large-scale renovations. The Nippon Maru restarted operations in March 2010. The trading business did not reach the level of profit seen in the previous fiscal year, which had favorable results, due to the cancellation of new ship constructions, and other factors despite a focus on sales and cost reductions. As a result, Associated Businesses overall experienced lower profits year on year.

Others

Other businesses, which are mainly cost centers that saw profits go down year on year, include ship operations, ship management, ship chartering, financing, and shipbuilding.

Revenues and Composition Ratio by Business Segment

Name of Business	Revenues (millions of yen)	Composition ratio (%)
Bulkships	721,725	53.54
Containerships	466,378	34.60
Ferry and Domestic Transport	50,815	3.77
Associated Businesses	99,795	7.40
Others	9,250	0.69
Total	1,347,964	100.00

Notes: 1. Figures less than one (1) million are rounded down to the nearest million.
2. Changes in business segments
Although the Company traditionally had maintained six business segments, in order to reinforce synergistic effects between the containerships business and the logistics business, Logistics Division was integrated as part of Liner Division during the fiscal year under review. In conjunction with this change, the logistics business, which used to be an independent segment, is included in the containerships business to make a total of five business segments as of the fiscal year under review.

(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. During the fiscal year under review, the Company issued unsecured straight bonds amounting to ¥70 billion (¥50 billion in May 2009 and ¥20 billion in December 2009).

2) Capital Investment

The Group's capital investment, mainly in ships, implemented in the fiscal year under review amounted to approximately ¥204.1 billion.

(Millions of yen)

Name of Business	Amount of Capital Investment
Bulkships	146,949
Containerships	30,592
Ferry and Domestic Transport	1,131
Associated Businesses	24,374
Others	1,180
Elimination or Corporate	(37)
Total	204,190

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

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

Sale, etc of Vessels

Name of Business	Number of Vessels	Deadweight Tons (in thousands)	Book Value (millions of yen)
Bulkships	29	983	7,248
Containerships	18	797	6,982
Ferry and Domestic Transport	2	7	1,236
Others	1	10	128
Total	50	1,798	15,596

Notes 1. Figures less than one (1) million are rounded down to the nearest million.
2. One (1) out of 29 bulkships was removed.

(3) Financial Position and Results of Operations

(Millions of yen)

	FY2006	FY2007	FY2008	FY2009 (current consolidated fiscal year)
Revenues	1,568,435	1,945,696	1,865,802	1,347,964
Ordinary income	182,488	302,219	204,510	24,234
Net income	120,940	190,321	126,987	12,722
Net income per share (yen)	101.20	159.14	106.13	10.63
Total assets	1,639,940	1,900,551	1,807,079	1,861,312
Total net assets	620,989	751,652	695,021	735,702

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

The management environment surrounding the Company and its Group is unclear. It is expected that the world economy with declining risks will recover gradually and the increase in demand will improve shipping market accordingly, and on the other hand, shipbuilding capacity in the world will expand and fleet supply will also increase. 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 to recover to a path of growth while pursuing the three-year mid-term management plan, “GEAR UP! MOL”, commencing 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) “enhancement of 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 restructuring its containership business that has been impacted the most by the economic crisis. 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 take advantage of its rivals.

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) in our aim to set “the highest global standard in safe operation”. 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. 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 accumulated), promoting “ECO SAILING” (our unique fuel efficient steaming know-how) geared toward energy savings and a reduction in environmental impact, and aiming to reduce CO_2 emissions per ton-mile by 10% by FY2015 compared to FY2009. The Company will also promote the 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 60 main domestic Group companies along with 16 overseas affiliates to advance environmental conservation activities at each of the Group. Sixteen of the Group companies having 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 2009.

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 in disaster situations caused by earthquakes and tsunami tidal waves, marine and global environmental protection, marine education and international cooperation, as the main areas of such activities. 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

- Enhance business activities globally
- Enhance cost competitiveness
- Restructuring of the containership business
- Full utilization of the Group's synergized resources
- Enhancing infrastructure to accomplish strategies
- Business intelligence to add unique value
- Risk management to ensure our growth
- Ceaseless improvement of financial stability to enhance credibility
- Nurturing employees fully capable of managing changes

(2) Enhance safe operation

Forge ahead to become "the world leader in safe operation"

- Quantify safety and realize the 4 zeros (*)
  * (zero serious marine incidents, zero oil pollution, zero fatal accidents, and zero cargo damage)
- Enhance capability to perceive danger, thereby breaking the links in any potential error chain
- Invest ¥24 billion over 3 years to enhance safe operation
- Advance IT use for safer operation
- Secure skilled seafarers and keep them well trained
- Enhance countermeasures again piracy and terrorism

(3) Environmental strategy

Offer transportation solutions with a low environmental burden

- Introduce vessel innovations to prevent global warming
  - Promote ISHIN project
  - Promote "ECO SAILING" on a larger scale
  - Reduce CO_2 emissions per ton-mile by 10% in FY2015 compared to FY2009
- Contribute to conservation of biodiversity and protection of the natural environment
- Positive investment to develop and implement environmental technologies
  - Invest ¥28 billion over 3 years

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Consolidated financial targets

(Assumption: Exchange rate ¥90.00/US$, Bunker price US$500/MT) (Billions of Yen)

	FY2010 Plan	FY2011 Plan	FY2012 Plan	FY2015 Target
Revenue	1,550.0	1,700.0	1,800.0	2,000.0
Ordinary income	100.0	120.0	150.0	200.0
Net income	60.0	75.0	110.0	130.0
Ordinary income margin	6.5%	7.1%	8.3%	10.0%

Shareholders' equity	820.0
Equity ratio	40%
Interest-bearing debt	820.0
Gearing ratio (Note1)	1.00
ROA (Note2)	5%
ROE (Note3)	14%

(Note 1) Gearing ratio = Interest-bearing debt / Shareholders' equity
(Note 2) ROA = Net income / Average total assets at the beginning and the end of the fiscal year
(Note 3) ROE = Net income / Average shareholders' equity at the beginning and the end of the fiscal year

Fleet expansion plan / Fleet scale

(Vessels)

	Fleet scale (Results)	→	Ships to join MOL fleet	→	Fleet scale (Plan)	→	Ships to join MOL fleet	→	Fleet scale (Target)
	at the end of March 2010		FY2010 to FY2012		at the end of March 2013		FY2013 to FY2015		at the end of March 2016
Bulkships	755		153		890		140		1,025
Container-ships	101		28		110		12		120
Others	49		9		50		8		55
Total	905		190		1,050		160		1,200
Ships' Value			1,200 billion yen equivalent				900 billion yen equivalent		

(Note) Fleet scale at the end of fiscal years includes spot-chartered ships and those owned by joint ventures including unconsolidated subsidiaries.

(5) Principal Business (As of March 31, 2010)

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, 2010)

1) The Company

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

Note: Effective March 31, 2010, the Company closed its Kobe Branch and integrated the operations into Osaka Branch, which has been renamed as Kansai Branch as of April 1, 2010.

2) Subsidiaries

- Principal domestic business offices
  Tokyo, Kanagawa,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, 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, 2010)

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	129	in thousands 7,708	105	in thousands 13,691	17	in thousands 1,033
Chartered vessels	355	27,672	121	5,677	84	3,823
Others	0	0	2	143	0	0
Total	484	35,380	228	19,511	101	4,856

Category	Ferry and Domestic Transport		Associated Businesses		Others		Total	
	Ferry and Domestic Transport		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	16	in thousands 84	1	in thousands 5	1	in thousands 6	269	in thousands 22,527
Chartered vessels	24	72	0	0	2	13	586	37,257
Others	4	5	0	0	0	0	6	148
Total	44	161	1	5	3	19	861	59,932

(8) Employees (As of March 31, 2010)

1) Employees of the Group

Name of Business	Number of Employees	
Bulkships	1,227	(147)
Containerships	4,684	(501)
Ferry and Domestic Transport	1,083	(139)
Associated Businesses	1,967	(1,547)
Others	440	(47)
Company-wide (common)	306	(89)
Total	9,707	(2,470)
Fiscal year ended March 31, 2009	10,012	(2,487)

Notes: 1. The number of employees includes the entire labor force, 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 a specific segment.

2) Employees of the Company

Number of Employees		Year-on-year Increase (Decrease)	Average Age	Average Years of Service
	persons	persons	years	years
Employees on land duty	626	(2)	39.1	15.8
Employees on sea duty	289	(1)	34.3	11.1
Total	915	(3)	37.6	14.3

Notes: 1. The number of employees on land duty does not include 456 employees dispatched outside the Company, 21 contractors and 118 non-regular employees.
2. The number of employees on sea duty does not include 2 employees dispatched outside the Company and 29 non-regular employees.

(9) Principal Subsidiaries (As of March 31, 2010)

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
MOL Tankship Management 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	87.13	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	90.00	Marine transportation business
MOL Ferry Co., Ltd.	1,440	100.00	Marine transportation business

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

2. * includes shares held by subsidiaries.
3. Ferry Sunflower Co. Ltd. was established on October 23, 2009 as a result of joint stock transfer by Kansai Kisen Kaisha and The Diamond Ferry Co., Ltd.
4. Nissan Motor Car Carrier Co., Ltd. became a consolidated subsidiary of the Company effective September 3, 2009.

(10) Major Creditors (As of March 31, 2010)

(Millions of yen)

Creditors	Loan Outstanding
Sumitomo Mitsui Banking Corporation	25,458
Development Bank of Japan, Inc.	19,979
The Norinchukin Bank	7,234
The Sumitomo Trust and Banking Co., Ltd.	6,738
Mitsubishi UFJ Trust and Banking Corporation	6,538

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

2. Status of Shares (As of March 31, 2010)

(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** 10,124,707 shares)

(3) Number of Shareholders 111,102 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.	197,673	16.53
2. The Master Trust Bank of Japan, Ltd.	77,930	6.52
3. Mitsui Sumitomo Insurance Co., Ltd.	38,165	3.19
4. Sumitomo Mitsui Banking Corporation	30,000	2.51
5. Trust & Custody Services Bank, Ltd.	28,125	2.35
6. State Street Bank and Trust Company 505202	22,306	1.86
7. Mizuho Corporate Bank, Ltd.	20,000	1.67
8. State Street Bank and Trust Company 505225	18,524	1.55
9. NCT Trust and Banking Corporation	17,591	1.47
10. The National Mutual Insurance Federation of Agricultural Cooperatives	15,358	1.28

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 (10,124,707 shares).

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
Total number of holders (persons)	2	2	5	7	8	11
MOL Directors (excluding outside directors) (persons)	1	1	3	5	5	8
MOL Outside Directors (persons)	1	1	2	2	3	3
MOL Corporate Auditors (persons)	None	None	None	None	None	None
Total number of stock acquisition rights (units)	37	120	210	300	330	470
Class and number of shares subject to the stock acquisition rights (shares)	(common stock) 37,000	(common stock) 120,000	(common stock) 210,000	(common stock) 300,000	(common stock) 330,000	(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
Exercise price (yen per share)	644	762	841	1,962	1,569	639
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
Exercise conditions of the stock acquisition rights	(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 decided by the Board of Directors.
2. The stock acquisition rights granted to MOL directors are indicated.

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

Issue date	August 14, 2009
Total number of employees granted (persons) MOL executive officers (excluding ones concurrently serving as an MOL officer) (persons) MOL employees (excluding one serving as an MOL officer/executive officer) (persons) Officers and employees of MOL subsidiaries (excluding ones serving as an MOL officer/executive officer/employee) (persons)	88 20 33 35
Total number of stock acquisition rights (units)	1,170
Class and number of shares subject to the stock acquisition rights (shares)	(common stock) 1,170,000
Paid-in value at exercise of stock acquisition rights	without consideration
Exercise price (yen per share)	639
Exercise period of the stock acquisition rights	July 31, 2011 to June 22, 2019
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 decided by the Board of Directors.

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

Stock Acquisition rights granted to “Euro Yen Contingent Conversion Zero Coupon Convertible Bonds with Acquisition Rights due 2011” were issued on March 29, 2006. Details as of March 31, 2010 are shown below.

Total number of stock acquisition rights (units)	49,030
Class and number of shares subject to the stock acquisition rights (shares)	(common stock) 44,358,997
Issue price of the stock acquisition rights (yen)	1,105.3
Exercise period of the stock acquisition rights	April 12, 2006 to March 15, 2011
Exercise conditions of the stock acquisition rights	No stock acquisition rights may be exercised in part only
The balance of bonds with stock acquisition rights (millions of yen)	49,030

[Translation for Reference and Convenience Purposes Only]

4. Matters Concerning Executives

(1) Directors and Corporate Auditors

(As of March 31, 2010)

Position	Name	Assignment	Significant Concurrent Positions Outside the Company
Representative Director, President & Executive Officer	Akimitsu Ashida		Chairman, The Japan Ship Owners' Mutual Protection & Indemnity Association
Representative Director, Executive Vice President & Executive Officer	Masakazu Yakushiji	Assistant to President [mainly in Liner Division]	
Representative Director, Executive Vice President & Executive Officer	Kenichi Yonetani	Assistant to President [mainly in Finance Division, Accounting Division, General Affairs Division, Research Office, Investor Relations Office〕	
Representative Director, Executive Vice President & Executive Officer	Yoichi Aoki	Assistant to President [mainly in Technical Division, Tanker Division, LNG Carrier Division, Human Resources Division〕	
Director, Senior Managing Executive Officer	Masafumi Yasuoka	Coal and Iron Ore Carrier Division, Bulk Carrier Division	
Director, Senior Managing Executive Officer	Koichi Muto	Internal Audit Office, Secretaries Office, Corporate Planning Division, Public Relations Office, MOL Information Systems, Ltd.	
Director, Senior Managing Executive Officer	Toshitaka Shishido	Car Carrier Division	
Director, Senior Managing Executive Officer	Takehiko Yamamoto	Group Business Division, Kansai Area	
Director	Kunio Kojima		Provided in (3) Matters Concerning Outside Executives below.
Director	Yoko Ishikura		Provided in (3) Matters Concerning Outside Executives below.
Director	Takeshi Komura		Provided in (3) Matters Concerning Outside Executives below.
Full-time Corporate Auditor	Kazumasa Mizoshita		
Full-time Corporate Auditor	Junichi Narita		
Corporate Auditor	Kensuke Hotta		Provided in (3) Matters Concerning Outside Executives below.
Corporate Auditor	Sumio Iijima		Provided in (3) Matters Concerning Outside Executives below.

Notes: 1. Kunio Kojima, Yoko Ishikura and Takeshi Komura 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. Masafumi Yasuoka, Toshitaka Shishido and Takehiko Yamamoto were newly elected as directors at the Ordinary General Meeting of Shareholders held on June 23, 2009, and assumed their offices.
6. Junichi Narita was newly elected as corporate auditor at the Ordinary General Meeting of Shareholders held on June 23, 2009, and assumed his office.
7. At the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2009, Director Kunio Suzuki, Saburo Koide and Hidehiro Harada retired from their offices at the expiration of their terms.
8. At the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2009, Auditor Munehisa Kusunoki retired from his office at the expiration of his term.
9. Executive officers as of March 31, 2010 are as follows (excluding ones concurrently serving as director).

Executive Officers

(As of March 31, 2010)

Position	Name	Assignments
Managing Executive Officer	Hiroshi Tanaka	Dedicated Bulk Carrier Division
Managing Executive Officer	Kazuhiro Sato	LNG Carrier Division
Managing Executive Officer	Noboru Kitazawa	President/Chief Executive Officer, MOL (AMERICA) Inc.
Managing Executive Officer	Soichi Hiratsuka	Human Resources Division, Marine Safety Division, MOL Ship Management Co., Ltd. MOL Tankship Management Ltd. M.O. LNG Transport Co., Ltd. Operational Safety
Managing Executive Officer	Tsuneo Watanabe	Tanker Division
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
Executive Officer	Tetsuya Minato	President of Mitsui O.S.K. Lines (Japan), Ltd., Liner Marketing
Executive Officer	Shugo Aoto	Finance Division, Accounting Division
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	General Manager of Corporate Planning Division
Executive Officer	Masaaki Nemoto	Assistant to Marine Safety Division, Assistant to MOL Tankship Management Ltd. Assistant to M.O. 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

(2) Remuneration Paid to Directors and Corporate Auditors

Category	Number of Persons Remunerated	Total Amount of Remuneration Paid (millions of yen)
Directors	14	549
Corporate Auditors	5	102
Total	19	651

Notes:
1. The above includes remuneration related to three (3) directors and one (1) corporate auditor whose term of office expired as of the conclusion of the Ordinary General Meeting of Shareholders held on June 23, 2009.
2. The above includes remuneration payments to five (5) outside executives totaling ¥50 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 bonus paid to directors.
   ¥63 million for eleven (11) directors (including ¥8 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 Executives

1) Major activities and significant concurrent positions outside the Company

[Outside Directors]

Name	Major Activities	Significant Concurrent Positions outside the Company
Kunio Kojima	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 financial field, from the objective viewpoint of an outside director.	President, Japan Association of Corporate Executives Outside Director, Resona Holdings, Inc. Outside Director, JBIS Holdings, Inc.
Yoko Ishikura	Attended eight (8) 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 experience and knowledge as a specialist in international corporate strategies, from the objective viewpoint of an outside director.	Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
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.

[Outside Corporate Auditors]

Name	Major Activities	Significant Concurrent Positions outside the Company
Kensuke Hotta	Attended all (10) board meetings and all 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 executive.	Chairman, Hotta Partners Inc. Managing Director, Greenhill & Co. Japan Ltd. Outside Corporate Auditor, Seiren Co., Ltd. Outside Director, Komatsu Ltd.
Sumio Iijima	Attended all 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 Company Limited 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.

2) Outline of the contract on limited responsibilities

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 responsibilities 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 & Co.

Note: KPMG AZSA & Co. will shift to a limited liability audit corporation as of July 1, 2010 to become KPMG AZSA LLC

(2) Compensation to the Accounting Auditor

(Millions of yen)

	Amount of Compensation
Compensation paid for the fiscal year under review	125
Total of cash and other financial amounts payable by the Company and its subsidiaries to the Accounting Auditor	300

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

2. Of the principal subsidiaries of the Company, Nissan Motor Car Carrier Co., Ltd. is audited by an accounting auditor or other than that for the Company.

3. 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 Law and cannot be done practically, therefore, the amount of compensation is the total amount in the fiscal year under review.

(3) Contents of Non-audit Services

The Company has entrusted to the Accounting Auditor “Advisory service on internal control system regarding financial reports” that are services other than ones stipulated in Article 2, Paragraph (1) of the Certified Public Accountant Law (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 full consideration of the Accounting Auditor’s performance of its duties and other various factors, the Board of Directors includes 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.

2) The Executive Committee consisting of members appointed by the President Executive Officer and approved by the Board of Directors meets once a week in general, and as necessary, based on the rules of the Executive Committee.
   Furthermore, if required, the Executive Committee sets up a subcommittee to consult about necessary matters.
3) Executive officers perform their duties, based on the division of duties by organization and the administrative authority of each position stipulated in the organizational rules.

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

1) The compliance system is enhanced and maintained by establishing a Compliance Policy and setting up a Compliance Committee led by an executive vice president in charge of administrative divisions.
2) The Company ensures that the employees comply with the code of conduct stipulated in Article 4 of the Compliance Policy.
3) For reports and consultation on violation of laws and other compliance rules, the reporting and consultation system including the Compliance Advisory Service Desk is maintained and operated based on the Compliance Policy.
4) The Internal Audit Office is established, and is directed only by the Executive Committee as an internal audit department and independent from any other positions.

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

1) In an attempt to secure the propriety of business carried out by the Group companies, the group corporate principles are advocated, and each Group company prescribes various rules based on it.
2) As for business management of the Group companies, a division of the Company is nominated to be responsible for the business management of each Group company. Based on the rules of the Group companies' business management, a head of the division requires the Group companies to report in advance about material matters about management of the Group companies, and to carry them out with the Company's approval.
3) To secure compliance among the Group companies, each Group company prescribes various rules conforming to the Company's compliance policy including the code of conduct.
   The Compliance Advisory Service Desk provides officers and employees of the Group companies with consultation service, about the compliance program as properly applicable to the entire Group.

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

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

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

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

[Translation for Reference and Convenience Purposes Only]

Consolidated Balance Sheets

(Millions of yen)

Item	As of March 31, 2010	As of March 31, 2009
	Amount	Amount
(Assets)		
Current assets	**352,030**	**428,597**
Cash and cash equivalents	44,147	83,784
Trade receivables	117,483	186,625
Marketable securities	42,482	13
Inventories	38,531	28,151
Deferred and prepaid expenses	52,538	57,585
Deferred tax assets	5,459	5,128
Other current assets	51,752	67,513
Allowance for doubtful accounts	(365)	(203)
Fixed assets	**1,509,282**	**1,378,482**
(Tangible fixed assets)	**[1,209,175]**	**[1,106,746]**
Vessels	661,716	609,753
Building and structures	136,690	128,113
Equipment, mainly containers	12,739	14,790
Equipments and parts	4,790	5,286
Land	185,053	180,237
Vessels and other property under construction	206,431	165,820
Other tangible fixed assets	1,753	2,743
(Intangible fixed assets)	**[9,079]**	**[14,285]**
Goodwill	-	4,783
Other intangible fixed assets	9,079	9,501
(Investments and other assets)	**[291,027]**	**[257,450]**
Investment securities	112,620	88,719
Stocks of subsidiaries and affiliates	97,752	91,642
Long-term loans receivables	28,164	39,923
Prepaid expenses	21,327	4,430
Deferred tax assets	5,509	5,755
Other long-term assets	28,108	29,161
Allowance for doubtful accounts	(2,456)	(2,181)
Total Assets	**1,861,312**	**1,807,079**

[Translation for Reference and Convenience Purposes Only]

(Millions of yen)

Item	As of March 31, 2010	As of March 31, 2009
	Amount	Amount
(Liabilities)		
Current liabilities	**355,185**	**440,909**
Trade payables	114,352	167,471
Short-term bonds	55,998	23,276
Short-term bank loans	99,393	142,804
Accrued income taxes	3,719	8,010
Advances received	23,033	19,378
Deferred tax liabilities	205	416
Allowance		
for provision for bonuses	4,279	5,208
for provisions for directors' bonuses	162	343
for provisions for loss on business liquidation	4	88
Commercial paper	8,500	20,500
Other current liabilities	45,535	53,411
Fixed liabilities	**770,424**	**671,148**
Bonds due	153,425	132,671
Long-term bank loans	441,285	366,521
Deferred tax liabilities	47,192	31,564
Allowance		
for employees' severance and retirement benefits	15,052	14,626
for Directors' and corporate auditors' retirement benefits	2,044	2,242
for provisions for special repairs	18,709	16,091
Other fixed liabilities	92,715	107,429
Total Liabilities	**1,125,609**	**1,112,058**
(Net Assets)		
Owners' equity	**719,532**	**727,131**
Common stock	65,400	65,400
Capital surplus	44,522	44,543
Retained earnings	616,736	623,626
Treasury stock, at cost	(7,126)	(6,438)
Accumulated gains (losses) from valuation and translation adjustments	**(60,024)**	**(103,416)**
Unrealized holding gains on available-for-sale securities, net of tax	20,999	6,165
Unrealized gains (losses) on hedging derivatives, net of tax	(45,454)	(71,459)
Foreign currency translation adjustments	(35,569)	(38,122)
Share subscription rights	**1,523**	**1,306**
Minority interests	**74,670**	**70,000**
Total Net Assets	**735,702**	**695,021**
Total Liabilities and Total Net Assets	**1,861,312**	**1,807,079**

[Translation for Reference and Convenience Purposes Only]

Consolidated Statements of Income

(Millions of yen)

Item	FY2009 (From Apr. 1, 2009 to Mar. 31, 2010)	FY2008 (From Apr. 1, 2008 to Mar. 31, 2009)
	Amount	Amount
Shipping and other operating revenues	**1,347,964**	**1,865,802**
Shipping and other operating expenses	1,228,478	1,564,485
Gross operating income	**119,485**	**301,316**
Selling, general and administrative expenses	98,546	104,104
Operating income	**20,939**	**197,211**
Non-operating income		
Interest income	1,526	2,871
Dividend income	2,789	5,088
Equity in earnings of unconsolidated subsidiaries and affiliated companies	5,362	15,999
Others	10,317	7,441
Total non-operating income	**19,996**	**31,401**
Non-operating expenses		
Interest expense	14,175	13,929
Others	2,525	10,173
Total non-operating expenses	**16,701**	**24,102**
Ordinary income	**24,234**	**204,510**
Extraordinary profits		
Gain on sale of fixed assets	15,565	12,284
Gain on sale of investment securities	2,939	21
Cancellation fee for chartered ships	3,015	5,572
Gain on reversal of reserve for special repairs	3,731	-
Others	2,307	2,393
Total extraordinary profits	**27,559**	**20,272**
Extraordinary losses		
Loss on sale, disposal and retirement of fixed assets	9,383	723
Loss on sale of investment securities	-	3
Valuation loss on investment securities	-	3,207
Valuation loss on securities investments in affiliated companies	-	38
Cancellation fee for chartered ships	6,968	20,123
Others	7,665	2,953
Total extraordinary losses	**24,017**	**27,050**
Income before income taxes and minority interests	**27,776**	**197,732**
Income taxes - current	**8,078**	**65,073**
Income taxes - deferred	**3,763**	**638**
Minority interests in earnings of consolidated subsidiaries	**3,211**	**5,032**
Net income	**12,722**	**126,987**

[Translation for Reference and Convenience Purposes Only]

Consolidated Statement of Changes in Net Assets

(Millions of yen)

	FY2009 (From April 1, 2009 to March 31, 2010)
Owners' equity	
Common stock	
Balance at March 31, 2009	65,400
Changes during the consolidated fiscal year	
Total changes during the consolidated fiscal year	-
Balance at March 31, 2010	65,400
Capital surplus	
Balance at March 31, 2009	44,543
Changes during the consolidated fiscal year	
Disposal of treasury stock	(21)
Total changes during the consolidated fiscal year	(21)
Balance at March 31, 2010	44,522
Retained earnings	
Balance at March 31, 2009	623,626
Changes during the consolidated fiscal year	
Dividend paid	(18,559)
Net income	12,722
Due to change in consolidated subsidiaries	(812)
Due to change in affiliated companies accounted for by the equity method	(28)
Increase/decrease due to changes in currencies of overseas consolidated companies	(253)
Increase/decrease in retained earnings due to changes in accounting period of consolidated subsidiaries	42
Total changes during the consolidated fiscal year	(6,889)
Balance at March 31, 2010	616,736
Treasury stock, at cost	
Balance at March 31, 2009	(6,438)
Changes during the consolidated fiscal year	
Repurchase of treasury stock	(785)
Disposal of treasury stock	97
Total changes during the consolidated fiscal year	(687)
Balance at March 31, 2010	(7,126)
Total owners' equity	
Balance at March 31, 2009	727,131
Changes during the consolidated fiscal year	
Dividends paid	(18,559)
Net income	12,722
Due to change in consolidated subsidiaries	(812)
Due to change in affiliated companies accounted for by the equity method	(28)
Increase/decrease due to changes in currencies of overseas consolidated companies	(253)
Increase/decrease in retained earnings due to changes in accounting period of consolidated subsidiaries	42
Repurchase of treasury stock	(785)
Disposal of treasury stock	76
Total changes during the consolidated fiscal year	(7,598)
Balance at March 31, 2010	719,532

Accumulated gains (losses) from valuation and translation adjustments	
Unrealized holding gains on available-for-sale securities, net of tax	
Balance at March 31, 2009	6,165
Changes during the consolidated fiscal year	
Net increase/decrease during the term except in owners' equity	14,833
Total changes during the consolidated fiscal year	14,833
Balance at March 31, 2010	20,999
Unrealized gains on hedging derivatives, net of tax	
Balance at March 31, 2009	(71,459)
Changes during the consolidated fiscal year	
Net increase/decrease during the term except in owners' equity	26,005
Total changes during the consolidated fiscal year	26,005
Balance at March 31, 2010	(45,454)
Foreign currency translation adjustments	
Balance at March 31, 2009	(38,122)
Changes during the consolidated fiscal year	
Net increase/decrease during the term except in owners' equity	2,553
Total changes during the consolidated fiscal year	2,553
Balance at March 31, 2010	(35,569)
Total accumulated gains (losses) from valuation and translation adjustments	
Balance at March 31, 2009	(103,416)
Changes during the consolidated fiscal year	
Net increase/decrease during the term except in owners' equity	43,392
Total changes during the consolidated fiscal year	43,392
Balance at March 31, 2010	(60,024)
Share subscription rights	
Balance at March 31, 2009	1,306
Changes during the consolidated fiscal year	
Net increase/decrease during the term except in owners' equity	217
Total changes during the consolidated fiscal year	217
Balance at March 31, 2010	1,523
Minority interests	
Balance at March 31, 2009	70,000
Changes during the consolidated fiscal year	
Net increase/decrease during the term except in owners' equity	4,669
Total changes during the consolidated fiscal year	4,669
Balance at March 31, 2010	74,670
Total net assets	
Balance at March 31, 2009	695,021
Changes during the consolidated fiscal year	
Dividends paid	(18,559)
Net income	12,722
Due to change in consolidated subsidiaries	(812)
Due to change in affiliated companies accounted for by the equity method	(28)
Increase/decrease due to changes in currencies of overseas consolidated companies	(253)
Increase/decrease in retained earnings due to changes in accounting period of consolidated subsidiaries	42
Repurchase of treasury stock	(785)
Disposal of treasury stock	76
Net increase/decrease during the term except in owners' equity	48,279
Total changes during the consolidated fiscal year	40,680
Balance at March 31, 2010	735,702

[Translation for Reference and Convenience Purposes Only]

[Reference Document]

Consolidated Statements of Cash Flows

(Millions of yen)

Items	FY2009 (From April 1, 2009 to March 31, 2010)	FY2008 (From April 1, 2008 to March 31, 2009)
	Amount	Amount
I. Cash flows from operating activities		
Income before income taxes and minority interests	27,776	197,732
Depreciation and amortization	88,366	78,155
Equity in earnings of unconsolidated subsidiaries and affiliated companies, net	(5,362)	(15,999)
Loss (Gain) on write-down of investment securities	132	3,207
Loss (Gain) on write-down of investments in affiliated companies	106	38
Various provisions (reversals)	(352)	1,159
Interest and dividend income	(4,315)	(7,960)
Interest expense	14,175	13,929
Loss (Gain) on the sale of investment securities	(2,893)	(18)
Loss (Gain) on sale and disposal of vessels, property, plant and equipment	(6,181)	(11,559)
Exchange loss (gain), net	(3,425)	930
Changes in operating assets and liabilities		
- Trade receivables	20,114	19,238
- Fuel and supplies	(9,588)	17,938
- Trade payables	(2,656)	(5,171)
Other, net	(2,150)	(35,304)
Sub total	**113,744**	**256,317**
Cash received for interest and dividend	10,516	15,437
Cash paid for interest	(14,551)	(13,794)
Cash paid for corporate income tax, resident tax and enterprise tax	(16,281)	(138,976)
Net cash provided by operating activities	**93,428**	**118,984**
II. Cash flows from investing activities		
Purchase of marketable and investment securities	(3,209)	(13,839)
Proceeds from sale and redemption of marketable and investment securities	3,821	6,646
Payments for purchases of vessels and other tangible and intangible fixed assets	(212,120)	(209,881)
Proceeds from sale of vessels and other tangible and intangible fixed assets	72,310	34,420
Payments from purchases of subsidiaries' securities due to change in consolidated subsidiaries	(49)	-
Net (increase) decrease in short-term loans receivable	16,337	5,744
Disbursements for loans receivable	(10,559)	(18,656)
Collections of loans receivable	1,604	4,242
Other, net	(1,618)	1,301
Net cash used in investing activities	**(133,483)**	**(190,022)**

Items	FY2009 (From April 1, 2009 to March 31, 2010)	FY2008 (From April 1, 2008 to March 31, 2009)
	Amount	Amount
III. Cash flows from financing activities		
Net increase (decrease) in short-term bonds	(1,902)	(15,469)
Net increase (decrease) in short-term bank loans	(38,308)	64,416
Net increase (decrease) in commercial paper	(12,000)	10,500
Proceeds from long-term bank loans	131,293	142,444
Repayments of long-term bank loans	(67,926)	(73,704)
Proceeds from issuance of bonds	88,450	32,036
Redemption of bonds	(34,549)	(17,256)
Purchase of treasury stock	(785)	(1,118)
Sale of treasury stock	76	775
Cash dividends paid by the company	(18,574)	(38,880)
Cash dividends paid to minority interests	(2,155)	(2,434)
Other, net	(1,389)	(442)
Net cash provided by financing activities	**42,227**	**100,865**
IV. Effect of exchange rate changes on cash and cash equivalents	**458**	**(8,485)**
V. Net increase (decrease) in cash and cash equivalents	**2,630**	**21,342**
VI. Cash and cash equivalents at beginning of year	**83,194**	**61,715**
VII. Net cash increase (decrease) from new consolidation/de-consolidation of subsidiaries	**2**	**150**
VIII. Net cash increase (decrease) in cash from merger of subsidiaries	**103**	**-**
IX. Increase (decrease) in cash and cash equivalents due to change in accounting period for consolidated subsidiaries	**(38)**	**(14)**
X. Cash and cash equivalents at end of period	**85,894**	**83,194**

[Translation for Reference and Convenience Purposes Only]

Notes to Consolidated Financial Statements

Significant Matters for Basis of Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 274

(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) Name of non-consolidated principal 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 subsidiaries accounted for by the equity method: 1

(2) Name of non-consolidated subsidiaries accounted for by the equity method:
MOL (West Africa) Ltd.

(3) Number of non-consolidated affiliates accounted for by the equity method: 56

(4) Name of non-consolidated principal affiliates accounted for by the equity method:
Daiichi Chuo Kisen Kaisha, Osaka Shipping Co., Ltd, Asahi Tanker Co., Ltd.

(5) Name of non-consolidated principal subsidiaries accounted for by the equity method:
Asia Cargo Service Co., Ltd.

(6) Name of non-consolidated principal affiliates accounted for by the equity method:
Sorami Container Center Co., Ltd.

(7) Reason for exclusion from the scope of applying the equity method

Amounts calculated according to our equity interest in net income and retained earnings of non-consolidated subsidiaries and affiliates that are not accounted for by the equity method are not significant.

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

(1) Scope of consolidation

Twenty two (22) companies including Ferry Sunflower Co., Ltd., a newly established company, in addition to Nissan Motor Car Carrier Co., Ltd. that became a consolidated subsidiary from an affiliate accounted for by the equity method after additional purchase of shares, have been newly included in the scope of consolidation effective the consolidated fiscal year under review. Thirteen (13) companies including Sea Road Express Co., Ltd. which had been a consolidated subsidiary, were excluded from the scope of consolidation due to eliminations after merger, etc.

(2) Scope of applying the equity method

Four (4) companies including AL-MUSANAH MARITIME TRANSPORTATION COMPANY S.A., have been accounted for by the equity method effective the consolidated fiscal year under review from the viewpoint of significance. Eleven (11) companies including Nissan Motor Car Carrier Co., Ltd. have been excluded from the scope of affiliates accounted for by the equity method due to inclusion in the scope of consolidation, etc.

4. Significant accounting policies

(1) Standards and methods of valuation of assets

Securities

Available-for-sale securities	Market value method (Calculating cost of securities sold with moving-average method)
Held-to-maturity debt securities	Amortized cost method
Other securities	
Available-for-sale securities	
with market value	Market value method based on the market price as of the closing date (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 (Fuel and supplies)	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 (Declining-balance method for a part of vessels)
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 transaction 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.

(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 consolidated 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' severance and 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 consolidated 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).

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 special repairs

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

Allowance for provisions for loss on business liquidation

To provide for losses such as those associated with the liquidation of business, the Company computes and records the expected amount of such loss.

(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.

Hedging instruments and hedged items

Means for hedging	Hedged items
Loans payable in foreign currencies	Foreign currency future transactions
Forward foreign exchange contracts	Foreign currency future transactions
Currency option contracts	Foreign currency future transactions
Currency swap contracts	Foreign currency loans payable
Interest rate swap contracts	Interest on loans and bonds payable
Crude oil swap contracts	Fuel oil
Commodities futures	Fuel oil
Freight futures	Freight

Hedging policy

The hedging derivative transactions are executed and managed by the Company 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 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) Standards and methods of valuation of assets and liabilities of consolidated subsidiaries

The assets and liabilities of consolidated subsidiaries are fully valued using the fair market value at the time when the Company acquired control of the respective subsidiary.

(8) 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 acquired when MOL-NIC Transport Ltd. merged with former Burmah Transport Holdings Ltd. has been amortized equally each year over the period (14 years) that it has economic effects

(9) 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.

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

(11) Other Changes to Significant Matters Concerning the Basis for Preparation of Consolidated Financial Statements

1) Change of presentation for offset receivables and payables related to mutual support transactions for onboard container spaces

In the container ship business, we operate the core east-west container sea route connecting Asia and North America as well as Asia and Europe jointly with the other container ship business operators of APL CO. PTE LTD. and HYUNDAI MERCHANT MARINE CO., LTD. under a comprehensive alliance called "THE NEW WORLD ALLIANCE" (TNWA). Under TNWA, the container cargo space on ships operated by us and on ships operated by other companies is mutually offered at a price based on a certain set of agreed conditions. In these transactions, any unsettled payments related to the borrowing and lending of container space during a certain period are processed by offsetting the receivables and payables for each alliance partner based on an agreement between the parties concerned. We had conventionally posted the related figures by the gross method on the consolidated balance sheets by indicating trade receivables relating to fees for lending container space on the ships operated by us, while indicating trade payables relating to fees for borrowing container space on ships of other firms. However, due to the recent major hike in crude oil prices, the fuel price, which is an element of unit price for container space lending and borrowing, has been fluctuating considerably. Consequently, the parties concerned have required a longer time to reach an agreement on the settlement of unit price for each vessel and voyage. Therefore, the outstanding balances of trade receivables and trade payables related to these transactions tend to increase. Taking this into account, we have decided that our financial status on a consolidated basis can be more appropriately presented by offsetting, with respect to these transactions, the trade receivables against trade payables for each alliance partner. In addition, during the fiscal year under review, we implemented a management system for container space lending and borrowing, which has made it easier to group transactions by partner. Therefore, effective the consolidated fiscal year under review, we have changed the method of presentation to offset trade receivables and trade payables by alliance partner for transactions related to mutual offering of on-board container space.

As a result, compared with the previous method of presentation, “Trade receivables” under current assets and “Trade payables” under current liabilities both decreased by ¥56,071 million.

(2) Change in method of presenting consolidated income statements

In the previous fiscal year, “Loss on sale of investment securities” (¥45 million for the fiscal year under review), “Valuation loss on investment securities” (¥132 million for the fiscal year under review) and “Valuation loss on securities issued by subsidiaries and affiliated companies” (¥106 million for the fiscal year under review) were separately presented. Due to the decline in monetary significance, however, the items are included in “Other extraordinary losses” under extraordinary losses for the fiscal year under review. Meanwhile, although “Reversal of provisions for special repairs” was included in “Other extraordinary profit” under extraordinary profits until the previous fiscal year, it is presented as an independent item for the fiscal year under review, due to its increased significance. “Reversal of provisions for special repairs” as of the end of the previous fiscal year was ¥1,606 million.

Notes to Consolidated Balance Sheet

1. Breakdown and amounts of inventories

Raw materials and supplies	37,514 millions of yen
Other	1,017 millions of yen

2. Assets pledged as collateral and secured obligations

(1) Assets pledged as collateral

Vessels	177,848 millions of yen
Buildings and structures	2,618 millions of yen
Land	1,040 millions of yen
Investment securities	27,090 millions of yen
Securities issued by subsidiaries and affiliated companies	34,739 millions of yen
Others	361 millions of yen
Total	243,698 millions of yen

(2) Secured obligations

Short-term debt	20,383 millions of yen
Long-term debt	77,640 millions of yen
Total	98,024 millions of yen

Pledged investment securities and securities issued by subsidiaries and affiliated companies include the following securities:

a) Investment securities at ¥27,065 million and securities issued by subsidiaries and affiliated companies at ¥11,143 million were pledged in order to secure losses to be incurred when the Company and our subsidiaries and affiliated companies cause oil pollution casualties in U.S. ocean area, and obligations for them have not been incurred as of the end of the consolidated fiscal year under review. ¥11,143 million in securities issued by subsidiaries and affiliated companies are securities issued by consolidated subsidiaries.

b) Securities issued by subsidiaries and affiliated companies at ¥23,394 million were pledged in order to secure long-term debts and future payment of charter fees.

3. Accumulated depreciation of tangible fixed assets 722,192 millions of yen

4. Contingent liabilities

Amount of discount on notes receivable	59 millions of yen
Guarantee liabilities, etc.	91,953 millions of yen
(Including guarantee liabilities in foreign currency	80,209 millions of yen)
Burden on other joint debtors in joint debts	7,909 millions of 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 consolidated fiscal year

Class: Common stock
Total shares: 1,206,286,115 shares

2. Class and total shares of treasury stock at the end of the consolidated fiscal year

Class: Common stock
Total shares: 10,878,393 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 23, 2009	Common stock	18,559	15.5	March 31, 2009	June 24, 2009

(2) Dividend for which record date is in the current consolidated 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 22, 2010	Common stock	3,588	Retained earnings	3.0	March 31, 2010	June 23, 2010

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: 48,739,997 shares

Notes on Financial Instruments

1. Matters relating to financial instruments

We in the MOL Group procure capital investment funds to acquire vessels and such like primarily through bank loans and issuing corporate bonds. We also secure short-term operating funds through commercial paper and bank loans. In addition, we drew a line of credit from domestic financial institutions in order to prepare for supplementing liquidity in emergency situations. Trade receivables, which are operating receivables, are exposed to the credit risk of customers. We strive to mitigate the risk in accordance with internal regulations. We promote the mitigation of risk in accordance with our internal organizational regulations. While foreign currency-based operating receivables are exposed to exchange rate fluctuation risk, we evade this risk by, as a general rule, primarily utilizing a forward exchange contract to achieve a position net of foreign currency-based operating payables. Investment securities are primarily stocks of companies with which we have business relationships, and we identify the market value of such listed stocks on a quarterly basis.

Trade payables, which are operating payables, are due for payment within a year. Short-term loans and commercial papers are used primarily to procure short-term operating funds, while long-term loans and bonds are used to procure funds required for capital investment. Although some items with variable interest rates are exposed to interest rate fluctuation risk, we use derivative transactions (interest rate swaps) in part to fix interest payments. Foreign currency-based loans payable and bonds payable are exposed to exchange rate fluctuation risk, and we mitigate the risk with the use, in part, of currency swaps. Derivatives are used to evade the aforementioned risks and executed within the scope of necessity in accordance with the internal market risk management rules and market risk management outline. Our policy is not to execute derivative transactions for speculative purposes.

2. Matters concerning the market value of financial instruments, etc.

Amounts on the consolidated balance sheets as of the end of the consolidated fiscal year, fair value and variance are as follows.

(millions of yen)

	Amount on Consolidated Balance Sheets	Fair Value	Variance
(1) Cash and cash equivalents	44,147	44,147	-
(2) Trade receivables	117,483	117,483	-
(3) Marketable securities			
Held-to-maturity debt securities	42,000	42,000	-
Other securities	482	482	-
(4) Short-term loans receivables	1,834	1,834	-
(5) Long-term loans receivables (*1)	29,059		
Allowance for doubtful accounts (*2)	(185)		
	28,874	32,226	3,352
(6) Investment securities			
Other securities	102,174	102,174	-
(7) Trade payable	114,352	114,352	-
(8) Short-term bonds	1,209	1,209	-
(9) Short-term bank loans	46,493	46,493	-
(10) Commercial paper	8,500	8,500	-
(11) Bonds due (*3)	208,214	210,960	2,746
(12) Long-term bank loans (*4)	494,185	495,588	1,403
(13) Derivative transactions (*5)	[37,474]	[39,515]	[2,041]

(*1) Long-term loans receivable posted on the consolidated balance sheets include loans shifted to short-term ones, totaling ¥895 million.

(*2) This is a deduction of allowance for doubtful accounts provided for respective long-term loans receivable.

(*3) Bonds due posted on the consolidated balance sheets include items shifted to short-term ones, totaling ¥54,789 million.

(*4) Long-term loans payable posted on the consolidated balance sheets include loans shifted to short-term ones, totaling ¥52,899 million.

(*5) Receivables and payables arising from derivative transactions are presented on a net basis, and if the total represents a liability, it is indicated in parentheses.

Notes 1. Method of measurement of fair values of financial instruments and matters concerning marketable securities and derivative transactions

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

As these items are settled in a short period of time and the fair value is almost equal to the book value, their book value is presented.

(3) Marketable securities and (6) Investment securities

The fair value of stocks represents the price on the stock exchange, while that of bonds represents the price on the exchange or that presented by the counterpart financial institution.

(5) Long-term loans receivables

The book values of long-term loans with a variable interest rate are presented because the interest rate reflects the market rate in a short period of time and the fair value is close to the book value, unless the credit status of the borrower deteriorates considerably after the execution of the loan. Loans with a fixed interest rate are categorized by the length of term of loan, and the expected principal and interest receivable amounts are discounted for each category at the rate applicable to similar new loans to the present value.

(7) Trade payables, (8) Short-term bonds, (9) Short-term bank loans and (10) Commercial paper

As these items are settled in a short period of time and the fair value is almost equal to the book value, their book value is presented.

(11) Bonds due

Bonds with market value are presented based on the market price. For bonds without market value subject to a floating interest rate, their book value is presented as the fair value because the fair value approximates the book value since the interest rate of these bonds reflects the market rate in a short period of time and the credit status of the Company has not deteriorated considerably after the execution of bond issuing. For bonds without market value subject to a fixed interest rate, the expected principal and interest payable is discounted at the rate taking into account the remaining period of the bonds due and credit risk to the present value. Some of the bonds are eligible for the interest currency swaps where foreign currency based amounts are booked on a contracted exchange rate basis. If deeming them as floating rate bonds, their book value is presented as the fair value because the fair value approximates the book value since the interest rate of these bonds reflects the market rate in a short period of time and the credit status of the Company has not deteriorated considerably after the execution of bond issuing.

(12) Long-term loans payable

As the interest rate of long-term loans with a floating interest rate reflects the market rate in a short period of time and the fair value is close to the book value because the credit status of the Company has not deteriorated considerably after the execution of the loan, their book value is presented. Loans with a fixed interest rate, the expected principal and interest receivable amounts are discounted at the interest rates applicable to similar new loans to the present value. Some long-term loans payable are subject to the application of designation for currency swap, and if regarded as US dollar variable rate loans, the fair value is close to the book value, as is the case with other loans with variable interest rates. Hence the book value of these loans is presented.

(13) Derivative transactions

We execute derivatives for hedging purposes, and the value is presented based on the prevailing forward exchange rate or the price obtained from a financial institution. As currency swaps whose foreign currency based amounts are booked on a contracted exchange rate basis are treated in a form integrated with long-term loans payable and bonds due that are hedged items, the fair value is included in the corresponding long-term loans payable and bonds due.

2. Financial instruments whose fair value is extremely difficult to identify

(millions of yen)

Item	Amount on Consolidated Balance Sheets
Unlisted stocks	7,226
Unlisted foreign securities	3,200
Others	20
Total	10,446

As these items do not have a market price and the future cash flow cannot be estimated, we consider it extremely difficult to identify their fair value. Hence, the items are not included in “(6) Investment securities/other securities."

(Additional information)

We provide Notes on Financial Instruments effective the fiscal year under review in accordance with the revised Corporate Accounting Rules based on the Ministerial Ordinance for Partial Revision of the Ordinance for Enforcement of the Companies Act, Corporate Accounting Rules, etc. (Ordinance of the Ministry of Justice No. 7 of 2009).

Notes on Investment and Rental Property

1. **Matters concerning investment and rental property**

   The Company and some of its subsidiaries own office buildings for rent (including land) in Tokyo, Osaka and other areas.

2. **Matters concerning fair value of investment and rental property**

(millions of yen)

Amount on Consolidated Balance Sheets	Fair Value
233,474	327,556

Notes: 1. The amount on the consolidated balance sheets is the amount where accumulated depreciation and impairment loss are deducted from the acquisition cost.

2. The amount of fair value as of the end of the fiscal year is based on the real-estate appraisal document prepared by the outside real-estate appraiser for major properties. 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.

(Additional information)

We provide Notes on Investment and Rental Property effective the fiscal year under review in accordance with the revised Corporate Accounting Rules based on the Ministerial Ordinance for Partial Revision of the Ordinance for Enforcement of the Companies Act, Corporate Accounting Rules, etc. (Ordinance of the Ministry of Justice No. 7 of 2009).

Per-share Information

1. Net assets per share 551.70 yen
2. Net income per share 10.63 yen

Material Subsequent events

There are no significant matters to report.

Other Notes

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

Non-consolidated Balance Sheets

(Millions of yen)

Item	As of March 31, 2010 Amount	As of March 31, 2009 Amount
(Assets)		
Current assets	**408,369**	**467,005**
Cash and cash equivalents	8,461	45,145
Trade receivables	76,499	155,375
Short-term loans receivable	162,675	144,477
Advances	14,023	16,178
Marketable securities	42,000	-
Inventories	29,600	20,562
Deferred and prepaid expenses	43,609	54,150
Debts for agency	13,310	14,347
Deferred tax assets	1,166	2,637
Other current assets	17,417	14,333
Allowance for doubtful accounts	(394)	(203)
Fixed assets	**601,482**	**541,377**
(Tangible fixed assets)	**[98,884]**	**[101,710]**
Vessels	62,411	64,856
Building	12,077	12,412
Structures and equipment	829	820
Vehicles and transportation equipment	222	344
Equipment, mainly containers	780	987
Land	19,935	19,935
Vessels and other property under construction	407	293
Other tangible fixed assets	2,218	2,058
(Intangible fixed assets)	**[5,854]**	**[10,589]**
Goodwill	0	4,239
Other intangible fixed assets	5,854	6,349
(Investments and other assets)	**[496,743]**	**[429,077]**
Investment securities	88,659	68,812
Stocks of subsidiaries and affiliates and Investments in equity	173,783	147,982
Long-term loans receivables	189,832	198,716
Prepaid expenses	17,430	189
Deferred tax assets	-	1,063
Long-term lease receivables	16,672	12
Other investments and other assets	12,935	15,081
Allowance for doubtful accounts	(2,570)	(2,780)
Total Assets	**1,009,852**	**1,008,382**

[Translation for Reference and Convenience Purposes Only]

(Millions of yen)

Item	As of March 31, 2010	As of March 31, 2009
	Amount	Amount
(Liabilities)		
Current liabilities	**249,940**	**311,835**
Trade payables	96,112	165,252
Short-term bonds	49,030	9,500
Short-term bank loans	56,283	67,581
Other payables	4,748	4,011
Accrued income taxes	-	1,898
Accrued expenses	1,510	1,069
Advances received	18,875	16,417
Accounts receivable from agents	7,196	6,934
Allowance for provision for bonuses	2,226	2,722
Allowance for provisions for directors' bonuses	88	219
Commercial paper	-	20,500
Other current liabilities	13,868	15,728
Fixed liabilities	**197,025**	**137,378**
Bonds due	88,000	67,030
Long-term bank loans	93,843	59,554
Allowance for employees' severance and retirement benefits	110	190
Allowance for Directors' and corporate auditors' retirement benefits	124	365
Deferred tax liabilities	6,543	-
Other fixed liabilities	8,404	10,238
Total Liabilities	**446,965**	**449,214**
(Net Assets)		
Owners' equity	**539,895**	**550,897**
Common stock	65,400	65,400
Capital surplus	44,507	44,530
Additional paid-in capital	44,371	44,371
Other capital surplus	136	158
Retained earnings	436,994	447,287
Legal earnings reserve	8,527	8,527
Other retained earnings	428,467	438,760
Reserve for special depreciation	3,453	2,850
Reserve for overseas investment loss	41	37
Reserve for advanced depreciation	360	370
General reserve	395,630	295,630
Retained earnings brought forward	28,982	139,871
Treasury stock, at cost	(7,007)	(6,320)
Accumulated gains (losses) from valuation and translation adjustments	**21,467**	**6,964**
Unrealized holding gains on available-for-sale securities, net of tax	20,876	7,792
Unrealized gains (losses) on hedging derivatives, net of tax	590	(828)
Share subscription rights	**1,523**	**1,306**
Total Net Assets	**562,886**	**559,168**
Total Liabilities and Total Net Assets	**1,009,852**	**1,008,382**

[Translation for Reference and Convenience Purposes Only]

Non-consolidated Statements of Income

(Millions of yen)

Item	FY2009 (From April 1, 2009 to March 31, 2010)	FY2008 (From April 1, 2008 to March 31, 2009)
	Amount	Amount
Shipping and other operating revenues		
Shipping revenues		
Freight	741,172	1,140,360
Charter fees	272,257	354,798
Other shipping revenues	24,986	31,806
Total	**1,038,416**	**1,526,965**
Other operating revenue	1,269	1,335
Total shipping and other operating revenues	**1,039,685**	**1,528,301**
Shipping and other operating expenses		
Shipping expenses		
Voyage expenses	426,457	621,248
Vessels	18,159	17,479
Charter fees	489,941	607,019
Other shipping	86,010	102,674
Total	**1,020,568**	**1,348,422**
Other operating expenses	771	826
Total shipping and other operating expenses	**1,021,340**	**1,349,249**
Gross operating income	**18,345**	**179,051**
Selling, General and administrative expenses	31,511	33,246
Operating income (loss)	**(13,165)**	**145,805**
Non-operating income		
Interest and dividend income	29,253	32,657
Others	6,045	4,916
Total non-operating income	**35,299**	**37,573**
Non-operating expenses		
Interest expense	2,860	1,818
Others	2,039	8,571
Total non-operating expenses	**4,899**	**10,390**
Ordinary income	**17,234**	**172,988**
Extraordinary profits		
Gain on sale of investment securities	2,894	1
Gain on liquidation of subsidiaries and affiliates	7	26
Reversal of allowance for doubtful accounts	33	241
Cancellation fee for chartered ships	2,109	5,237
Cancellation charges for fixed interest	868	-
Gain on insurance claim	814	-
Others	490	71
Total extraordinary profits	**7,218**	**5,578**
Extraordinary losses		
Loss on disposal of fixed assets	512	446
Loss on disposal of investment securities	48	-
Valuation loss on securities issued by subsidiaries and affiliated companies	5,647	2,770
Valuation loss on investment securities	75	1,627
Loss from liquidation of affiliates	266	500
Cancellation fee for chartered ships	6,606	20,043
Provision for doubtful accounts	58	657
Others	1,341	145
Total extraordinary losses	**14,557**	**26,192**
Income before income taxes	**9,895**	**152,373**
Income taxes-current	40	53,737
Income taxes for prior periods	911	-
Income taxes-deferred	677	5,035
Net income	**8,266**	**93,601**

[Translation for Reference and Convenience Purposes Only]

Non-consolidated Statement of Changes in Net Assets

(Millions of yen)

	FY2009 (From April 1, 2009 to March 31, 2010)
Owners' equity	
Common stock	
Balance at March 31, 2009	65,400
Changes during the fiscal year	
Total changes during the fiscal year	-
Balance at March 31, 2010	65,400
Capital surplus	
Additional paid-in capital	
Balance at March 31, 2009	44,371
Changes during the fiscal year	
Total changes during the fiscal year	-
Balance at March 31, 2010	44,371
Other capital surplus	
Balance at March 31, 2009	158
Changes during the fiscal year	
Disposal of treasury stock	(22)
Total changes during the fiscal year	(22)
Balance at March 31, 2010	136
Total capital surplus	
Balance at March 31, 2009	44,530
Changes during the fiscal year	
Disposal of treasury stock	(22)
Total changes during the fiscal year	(22)
Balance at March 31, 2010	44,507
Retained earnings	
Legal earnings reserve	
Balance at March 31, 2009	8,527
Changes during the fiscal year	
Total changes during the fiscal year	-
Balance at March 31, 2010	8,527
Other retained earnings	
Reserve for special depreciation	
Balance at March 31, 2009	2,850
Changes during the fiscal year	
Addition to reserve for special depreciation	1,055
Reversal of reserve for special depreciation	(452)
Total changes during the fiscal year	602
Balance at March 31, 2010	3,453
Reserve for overseas investment loss	
Balance at March 31, 2009	37
Changes during the fiscal year	
Addition to reserve for overseas investment loss	3
Total changes during the fiscal year	3
Balance at March 31, 2010	41
Reserve for advanced depreciation	
Balance at March 31, 2009	370
Changes during the fiscal year	
Reversal of reserve for advanced depreciation	(9)
Total changes during the fiscal year	(9)
Balance at March 31, 2010	360

Other reserve	
Balance at March 31, 2009	295,630
Changes during the fiscal year	
Addition to other reserve	100,000
Total changes during the fiscal year	100,000
Balance at March 31, 2010	395,630
Retained earnings brought forward	
Balance at March 31, 2009	139,871
Changes during the fiscal year	
Dividends paid	(18,559)
Net income	8,266
Addition to reserve for special depreciation	(1,055)
Reversal of reserve for special depreciation	452
Addition to reserve for overseas investments loss	(3)
Reversal of reserve for advanced depreciation	9
Other reserve	(100,000)
Total changes during the fiscal year	(110,889)
Balance at March 31, 2010	28,982
Total retained earnings	
Balance at March 31, 2009	447,287
Changes during the fiscal year	
Dividends paid	(18,559)
Net income	8,266
Addition to reserve for special depreciation	-
Reversal of reserve for special depreciation	-
Addition to reserve for overseas investments loss	-
Reversal of reserve for advanced depreciation	-
Other reserve	-
Total changes during the fiscal year	(10,293)
Balance at March 31, 2010	436,994
Treasury stock, at cost	
Balance at March 31, 2009	(6,320)
Changes during the fiscal year	
Repurchase of treasury stock	(785)
Disposal of treasury stock	99
Total changes during the fiscal year	(686)
Balance at March 31, 2010	(7,007)
Total owners' equity	
Balance at March 31, 2009	550,897
Changes during the fiscal year	
Dividends paid	(18,559)
Net income	8,266
Repurchase of treasury stock	(785)
Disposal of treasury stock	76
Total changes during the fiscal year	(11,001)
Balance at March 31, 2010	539,895
Accumulated gains (losses) from valuation and translation adjustments	
Unrealized holding gains on available-for-sale securities, net of tax	
Balance at March 31, 2009	7,792
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	13,084
Total changes during the fiscal year	13,084
Balance at March 31, 2010	20,876

Unrealized gains on hedging derivatives, net of tax	
Balance at March 31, 2009	(828)
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	1,418
Total changes during the fiscal year	1,418
Balance at March 31, 2010	590
Total accumulated gains (losses) from valuation and translation adjustments	
Balance at March 31, 2009	6,964
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	14,502
Total changes during the fiscal year	14,502
Balance at March 31, 2010	21,467
Share subscription rights	
Balance at March 31, 2009	1,306
Changes during the fiscal year	
Net increase/decrease during the term except in owners' equity	217
Total changes during the fiscal year	217
Balance at March 31, 2010	1,523
Total net assets	
Balance at March 31, 2009	559,168
Changes during the fiscal year	
Dividends paid	(18,559)
Net income	8,266
Repurchase of treasury stock	(785)
Disposal of treasury stock	76
Net increase/decrease during the term except in owners' equity	14,720
Total changes during the fiscal year	3,718
Balance at March 31, 2010	562,886

[Translation for Reference and Convenience Purposes Only]

Notes to Non-consolidated Financial Statements

Significant accounting policies

1. Standards and methods of valuation of assets

Securities	
Available-for-sale securities	Market value method (Calculating cost of securities sold with moving-average method)
Held-to-maturity debt securities	Amortized cost method
Securities issued by subsidiaries and affiliated companies	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 transaction 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.

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' severance and 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).

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 mainly by the completed-voyage method.

6. Hedge accounting

Hedge accounting

The Company mainly 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	Hedged items
Loans payable in foreign currencies	Foreign currency future transactions
Forward foreign exchange contracts	Foreign currency future transactions
Currency option contracts	Foreign currency future transactions
Currency swap contracts	Foreign currency loans payable
Interest rate swap contracts	Interest on loans and bonds payable
Commodities futures	Fuel oil
Freight futures	Freight

Hedging policy

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

Method of evaluating the effectiveness of hedges

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

7. Interest 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.

Changes to Accounting Policies

1. Change of presentation for offset receivables and payables related to mutual support transactions for onboard container spaces

In the containership business, we operate the core east-west container sea route connecting Asia and North America as well as Asia and Europe jointly with the other containership business operators of APL CO. PTE LTD. and HYUNDAI MERCHANT MARINE CO., LTD. under a comprehensive alliance called "THE NEW WORLD ALLIANCE" (TNWA). Under TNWA, the container cargo space on ships operated by us and on ships operated by other companies is mutually offered at a price based on a certain set of agreed conditions. In these transactions, any unsettled payments related to the borrowing and lending of container space during a certain period are processed by offsetting the receivables and payables for each alliance partner based on an agreement between the parties concerned. We had conventionally posted the related figures by the gross method on the non-consolidated balance sheets by indicating trade receivables relating to fees for lending container space on the ships operated by us, while indicating trade payables relating to fees for borrowing container space on ships of other companies. However, due to the recent major hike in crude oil prices, the fuel price, which is an element of unit price for container space lending and borrowing, has been fluctuating considerably. Consequently, the parties concerned have required a longer time to reach an agreement on the settlement unit price for each vessel and voyage. Therefore, the outstanding balances of trade receivables and trade payables related to these transactions tend to increase.

Taking this into account, we have decided that the Company's financial status can be more appropriately presented by offsetting, with respect to these transactions, the trade receivables against trade payables for each alliance partner. In addition, during the fiscal year under review, we implemented a management system for container space lending and borrowing, which has made it easier to group transactions by partner. Therefore, effective the fiscal year under review, we have changed the method of presentation to offset trade receivables and trade payables by alliance partner for transactions related to mutual offering of on-board container space.
As a result, compared with the previous method of presentation, "Trade receivables" under current assets and "Trade payables" under current liabilities both decreased by ¥56,071 million.

2. Changes in method of presentation of long-term lease receivables
Although we had conventionally posted lease receivables on the non-consolidated balance sheets under the category of other investments and other assets, it is presented as long-term lease receivables effective the fiscal year under review due to its increased significance.
The amount of long-term lease receivables for the previous fiscal year was ¥12 million.

Notes to Non-consolidated Balance Sheets

1. To subsidiaries and affiliated companies

Short-term monetary lending	188,371 millions of yen
Long-term monetary lending	190,526 millions of yen
Short-term monetary debts	44,757 millions of yen
Long-term monetary debts	507 millions of yen

2. Accumulated depreciation on tangible fixed assets 252,157 millions of yen

3. Assets pledged as collateral and secured obligations

(1) Assets pledged as collateral

Vessels	28,207 millions of yen
Investment securities	27,146 millions of yen
Securities issued by subsidiaries and affiliated companies	32,244 millions of yen
Total	87,599 millions of yen

(2) Secured obligations

Short-term debt	4,148 millions of yen
Long-term debt	11,094 millions of yen
Guaranteed liabilities	7,253 millions of yen
Total	22,496 millions of yen

Pledged investment securities and securities issued by subsidiaries and affiliated companies include the following securities:

a) Investment securities at ¥27,065 million and securities issued by subsidiaries and affiliated companies at ¥11,143 million were pledged in order to secure losses to be incurred when the Company and our subsidiaries and affiliated companies 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.
b) Securities issued by subsidiaries and affiliated companies at ¥21,101 million were pledged in order to secure long-term debts and future payment of charter fees.
c) Securities issued by subsidiaries and affiliated companies 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.	701,282 millions of yen
(Including guarantee liabilities in foreign currency	324,727 millions of yen)
Burden on other joint debtors in joint debts	7,875 millions of yen

Notes to Non-consolidated Statements of Income

Volume of transactions with subsidiaries and affiliates

Volume of operating transactions	
Revenues	51,201 millions of yen
Amount of purchase	279,200 millions of yen
Transactions other than operating transactions	29,949 millions of yen

Notes to Non-consolidated Statements of Changes in Net Assets

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

Common stock	10,124,707 shares

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	8,855
Voluntary adjustment of valuation loss on securities issued by subsidiaries and affiliates	9,952
Reserve for bonuses expenses	829
Voluntary adjustment of valuation loss on listed shares	1,120
Voluntary adjustment of valuation loss on unlisted shares	400
Voluntary adjustment of valuation loss on golf club membership	178
Accrued business tax and business place tax	16
Retirement allowances for directors	89
Impairment loss	17
Deferred hedge losses	411
Provision of allowance for doubtful accounts	701
Others	1,608
Total of deferred tax assets	24,181
Valuation allowance	(10,023)
Net deferred tax assets	14,157
Deferred tax liabilities	
Reserve deductible for tax purposes when appropriated for special depreciation	(2,049)
Reserve for advanced depreciation	(213)
Gain on securities contributed to employee retirement benefit trust	(4,338)
Other marketable securities valuation difference	(12,063)
Deferred hedge gains	(762)
Others	(106)
Total deferred tax liabilities	(19,535)
Net deferred tax liabilities	(5,377)

[Translation for Reference and Convenience Purposes Only]

Notes on Fixed Assets to Use on Lease

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

(1) Assumed amount of acquisition cost, accumulated depreciation and net book value at March 31, 2010

(Millions of yen)

	Acquisition cost	Accumulated depreciation	Net book value
Equipment, mainly containers	38,926	31,992	6,933
Total	38,926	31,992	6,933

(2) Future lease payment equivalent

Amount due within one year	3,445 millions of yen
Amount due after one year	8,815 millions of yen
Total	12,261 millions of yen

(3) Lease payment, depreciation equivalent and interest equivalent

Lease payment	3,669 millions of yen
Depreciation equivalent	3,336 millions of yen
Interest equivalent	252 millions of 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	6,444 millions of yen
Amount due after one year	20,850 millions of yen
Total	27,294 millions of yen

[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	Camellia Container Carriers S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee Funding loan	Debt guarantee Funding loan	42,691 455	- Short-term loans receivable Long-term loans receivable	- 9,314 6,248
	Euromol B.V.	Indirectly 100%	Interlocking directorate Debt guarantee	Debt guarantee	42,530	-	-
	Canopus Maritime Inc.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	41,212	-	-
	MOL Euro-orient Shipping S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee Funding loan	Debt guarantee Funding loan	35,063 -	- Short-term loans receivable Long-term loans receivable	- 744 14,980
	Aurora Car Maritime Transport S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee Funding loan	Debt guarantee Funding loan	33,403 2,167	- Short-term loans receivable Long-term loans receivable	- 998 25,417
	Polar Express S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee Funding loan	Debt guarantee Funding loan	23,899 -	- Short-term loans receivable Long-term loans receivable	- 320 11,827
	Perennial Transport Inc.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	21,692	-	-
	Linkman Holdings Inc.	Directly 100%	Interlocking directorate Debt guarantee Funding loan	Debt guarantee Funding loan	18,608 200,851	- Short-term loans receivable	- 133,273
	Vermintino Shipping Inc.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	17,802	-	-
	Nefertiti LNG Shipping Co., Ltd.	Directly 70%	Interlocking directorate Debt guarantee Funding loan	Debt guarantee Funding loan	16,412 17	- Long-term loans receivable	- 18
	White Bear Maritime Limited	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	16,198	-	-
	Paean Shipping S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee Funding loan	Debt guarantee Funding loan	15,448 -	- Short-term loans receivable Long-term loans receivable	- 102 3,174
	Cygnet Bulk Carriers S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee Funding loan	Debt guarantee Funding loan	15,251 1,240	- Short-term loans receivable Long-term loans receivable	- 1,348 12,786
	Juliet Shipping Corporation	Directly 100%	Interlocking directorate Ship chartering Debt guarantee Funding loan	Debt guarantee Funding loan	15,071 -	- Short-term loans receivable Long-term loans receivable	- 457 1,040
	Galaxy Shipping Navigation S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	13,948	-	-
	Sherwood Overseas S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee Funding loan	Debt guarantee Funding loan	10,796 -	- Long-term loans receivable	- 1,645
	Primo Shipping S.A.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee Funding loan	Debt guarantee Funding loan	10,522 -	- Long-term loans receivable	- 2,444
	Cleopatra LNG Shipping Co., Ltd.	Directly 70%	Interlocking directorate Funding loan	Funding loan	758	Long-term loans receivable	17,296
Affiliated company	Joint Gas Two Ltd.	Directly 50%	Interlocking directorate Debt guarantee	Debt guarantee	10,264	-	-

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.

Per-share Information

1. Net assets per share	469.30 yen
2. Net income per share	6.90 yen

Material Subsequent Events

There are no significant matters to report.

Other Notes

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