

September 11 Briefing Session for Medias' Questions and Answers

Q1 : The liable party for a maritime casualty, is the shipowner in general, so this is a rare case in which the charterer, Mitsui O.S.K. Lines, decided to contribute to a relief fund early on. Please explain the background of this decision?

A1 : We understand that the shipowner primarily has legal liability in common. However, we consider this casualty can not be addressed only in line with the legal liability. The incident has had a significant impact on the natural environment and people's lives in Mauritius. We have formulated measures to contribute to the solution, as we announced today, and taken measures in cooperation with the shipowner since the incident occurred, based on the idea that the charterer should also bear social responsibility for such incidents and must be in the forefront of a coordinated response.

Q2 : Please explain the basis of the amount (¥800 million) contributed to the Mauritius Natural Environment Recovery Fund (tentative name).

A2 : There was no precedent that we could benchmark in our company's history, to bear such wide social responsibility for a maritime casualty. We have discussed various matters internally, while eliciting opinions from external specialists and experts, to decide on what degree we can take social responsibility, which of course must be acceptable for our stakeholders.

After considerable deliberation, we arrived at the figure of ¥800 million.

Q3 : Are there any plans to increase the amount?

A3 : As I explained, the top priority among the four pillars is the fund of ¥800 million.

The second is ¥100 million, and the amount for the third pillar has not been determined yet but will be about ¥100 million. The amount of the fourth pillar will be determined as we continue to examine various support measures, so ¥800million is not a fixed amount yet.

Q4 : It is said Nagashiki Shipping will also contribute to the funds. How much in total do you plan the funds will be?

A4 : We expect to gain cooperation from Nagashiki Shipping and others that share our commitment. Total amount of the funds depends on how much cooperation there will be from others which is unknown at this moment.

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- Q5 : At present, the fund targets Mauritius only. Do you plan to generalize the fund so it can contribute to other maritime casualties that may occur in the future?
- A5 : Generalizing the fund to apply for incidents that may occur in the future, is an idea.
As MOL, we would currently like to focus on administrating the fund with the aim of providing an appropriate level of support to Mauritius.
- Q6 : How long do you expect to continue these support measures?
- A6 : We are still gathering information on total impact of the incident, and how long the recovery take. It is difficult to accurately determine the duration of these efforts at this moment.
We will provide comprehensive support for the environment and community of Mauritius. We will continue these support activities until we have achieved our objectives.
- Q7 : You said that MOL does not have primary legal liability. Please explain the difference in between this liability and social responsibilities including these support measures.
- A7 : We consider the legal liability and the support measures to fulfill our social responsibility are definitely different.
The amount and range of legal liability to be bared by the Ship Owner is yet to be defined, but our support measures are what we have defined aimed at fulfilling our social responsibility, in the fields we announced today.
- Q8 : Where is the goal of the support measures MOL is providing?
- A8 : As I said, we think the goal is to carry through to the point where we can say we have thoroughly responded to the Wakashio incident's impact on the environment and community in Mauritius.
- Q9 : This incident was caused by a vessel chartered from a shipowner. The supervision of safety management for chartered vessel's is an issue that needs to be looked into by Charterers. Please tell us about your thoughts on the safety management of chartered vessels in light of this incident.
- A9 : The business model of chartering a vessel from a shipowner to offer transport services is not MOL unique, but is a general business model on a

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global scale, and is also one of the foundations of the shipping industry. Enhancing the level of safety to earn the trust of customers—is indispensable to the industry's sustainability.

We have conventionally built an effective supply chain as a charterer, a system under which we can confirm the safety level of the shipowners from whom we charter vessels.

For example, we check to ensure that our safety standards are met by having by having initial and periodic ship inspections, but unfortunately this incident still occurred.

We are reexamining the insufficiency in our conventional ways, and are in the midst of in-depth internal discussions.

We will enhance operating safety while deepening our ties with shipowners and seeking input from third parties.

Q10 : What measures will you take for other chartered vessels as a result of this incident?

A10 : We have provided a thorough explanation about the incident to our partner shipowners.

We understand that shipowners are also making efforts to maintain and improve the safety of the vessels they own and allocate highly skilled crewmembers.

On the other hand, we believe there are things we can add to our approaches and ways to make corrections to improve the safety level, so we are discussing what can be done. There are possibilities that guidance may be given from concerned authorities to seek improvement.

We will work together with shipowners to enhance our level of safety, including these improvements.

Q11 : Do you think 1 billion yen over several years is an appropriate amount as this support will be a long-term effort?

A11 : In consideration of various elements at this time, we think 1 billion yen scale of support is an appropriate level.

This contribution plan is a long-term project and there maybe cases 1 billion yen will become slightly more, but we don't expect the amount will change massively.

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- Q12 : The incident has drawn considerable attention from the standpoint of ESG. What discussions have you had with investors?
- A12 : Since the incident occurred, we have received fact checks from various investors. We have explained our best understanding of the legal liability together with our support measures to a possible extent. We continue to hold regularly scheduled meetings with investors. As part of our discussions with investors, we will explain the direct impact to MOL and our support measures from the aspect of ESG.
- Q13 : Some media reported the cause of the incident, but as MOL, could you explain the cause of the incident to the best of your knowledge?
- A13 : We have heard the report that Panamanian authorities submitted an interim report based on their inspection, and understand that this report discusses the behavior of crewmembers. But we have not seen this inspection report. Taking what the shipowner heard from crewmembers and the course the ship was on when it ran aground comprehensively into consideration, we surmise that the cause of the incident would be as follows:
- (1) The vessel was too close to shore, and crewmembers lacked awareness.
 - (2) The electronic chart did not show the appropriate scale, and crew could not understand that their information was deficient in this way. and/or
 - (3) The vessel was subjected to strong waves from the south, so it tended to move closer to shore even from an objective view.
- Q14 : Is MOL in direct contact with, Anglo Eastern?
- A14 : In regard to Wakashio, Anglo Eastern the crew supply company in contract with the Owners, so we don't have direct contact. The company dispatches crews based on contracts with the owners, and does not go through MOL.
- Q15 : Please explain how you will dispose the remaining aft section, including the bridge.
- A15 : We heard from the shipowner that they are calling for bids on the disposal of the remaining section. They will designate a company sooner, and then determine a specific removal plan.
- Q16 : The vessel went aground on July 26, and the information was not disclosed for a while.

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Agrounding incidents have occurred in the past, but what is your disclosure standard?

A16 : One of our disclosure standards is how much impact an incident may have on society.

Although this may sound misleading, not all incidents are disclosed, and are determined depending on its potential social impact.

Q17 : This incident has had a major impact on the economy of Mauritius, and the insurance may not be able to cover it.

The shipowner has legal liability, but if a claim is made towards MOL, are you in position that the company is not liable?

A17 : Damage claims have not been filed yet.

It is generally understood that the shipowner has legal liability, and we will refrain from commenting on hypothetical questions on damage claims or lawsuits.

Q18 : Regarding your standard for whether an incident has a serious impact on society, would that include the loss of crewmember's life, for example?

A18 : We have as a matter of course disclosed accidents in which crewmembers' lives were unfortunately lost.

Q19 : You decided to disclose the incident after the oil spill occurred?

A19 : When the vessel went aground, the shipowner immediately arranged for a salvage company, which planned to refloat the vessel to and get it safely underway. At that point, we did not deem necessary to disclose the incident as the Charterer

Q20 : Are there problems because the charterer cannot grasp all the information of chartered vessel, and cannot control overall operational quality?

A20 : As explained, the vessel charter system forms the foundation of the shipping industry. Therefore, we should never compromise when it comes to safety even because it is Chartered vessel.

MOL and Nagashiki Shipping continue working hard to maintain and improve safety day and night, but unfortunately the incident has happened.

Q21 : MOL is known for a 24/7 vessel monitoring system. Didn't it detect any sign

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that this incident might occur?

A21 : The vessel deviated from its initial route, but it wasn't to an extent that we could notice. The fact is that we did not predict such a case and could not issue an alert at the time.

It would require considerable advances in technology to establish a warning system from the shore side, and at present, it would be difficult to implement immediately.