

MOL REPORT 2022

Year ended March 31, 2022

MITSUBI O.S.K. LINES
MOL REPORT 2022



Supporting and Changing the World from the Blue Oceans

Since our founding more than 130 years ago, we have taken on new business challenges by making use of the oceans and establishing bonds with countries, companies, and people around the world.

Now, we are beginning ambitious new initiatives.

MOL will realize transport that is safe, economical, and environment-friendly, introduce trailblazing marine transport technologies, and take on the challenge of expanding new business fields in growth regions.

Our overriding goal is to transform from a full-line marine transport company into a social infrastructure group centered on marine transport. We will continue taking on the challenge of further evolution aimed at achieving a sustainable future.

◆ MOL Group Corporate Mission

From the blue oceans, we sustain people's lives and ensure a prosperous future.

◆ MOL Group Vision

We will develop a variety of social infrastructure businesses in addition to traditional shipping businesses, and will meet the evolving social needs including environmental conservation, with innovative technology and services.

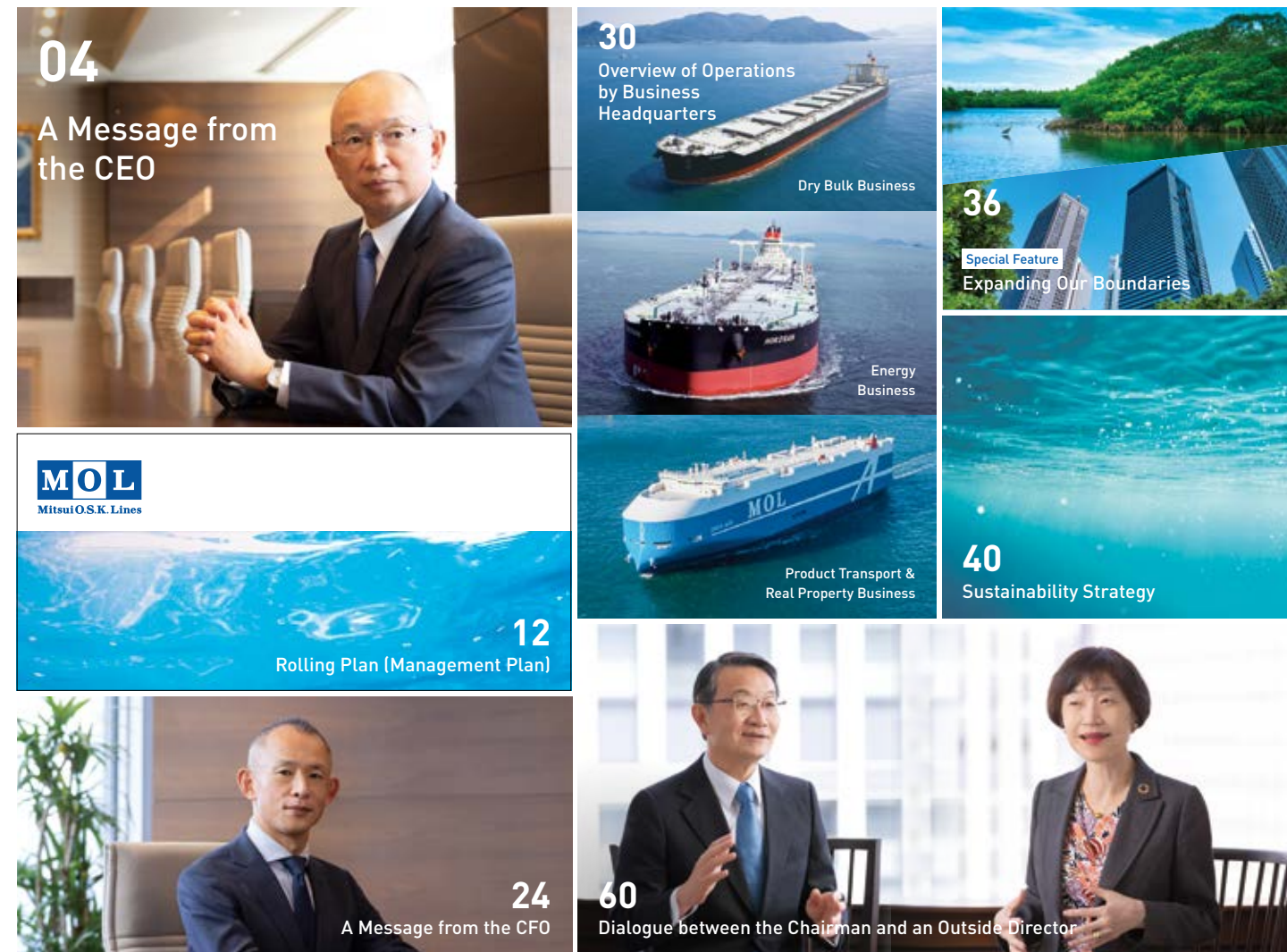
MOL group aims to be a strong and resilient corporate group that provides new value to all stakeholders and grows globally.

Transforming into a Social Infrastructure Group Centered on Marine Transport

We are developing a broad spectrum of social infrastructure businesses by leveraging the expertise and networks we have developed through our core business of marine transport. By extending our business domain, we will become a corporate group that helps address and solve a wider range of social issues than ever before.



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Upon Publication of MOL REPORT 2022
 Having experienced the booming emerging economies of the 2000s and two structural reforms of its businesses in the 2010s, the MOL Group is presently in the process of dramatically changing its corporate profile. This transformation is being advanced and led by the CEO, who took office in April 2021. In the same month, the MOL Group revised its corporate mission, long-term vision, values, and action guidelines to reflect society's current expectations.

We have prepared MOL Report 2022 to provide an easy-to-understand explanation of our goal—which is to become a social infrastructure group centered on marine transport—and the type of value that we will create by realizing this goal. Accordingly, we have included explanations that are more detailed and specific based on Rolling Plan 2022 and the MOL Sustainability Plan, which were announced in April 2022.

We have also provided an overview of initiatives to enhance the effectiveness of governance in recent years and the benefits of these initiatives.

We sincerely hope this report serves as a tool that deepens dialogue with shareholders, investors, and other stakeholders, thereby enabling management to receive better feedback and further enhancing disclosure.

Investor Relations Team, MOL Report 2022

Scope of the Report
 The MOL Group, comprising Mitsui O.S.K. Lines, Ltd., 373 consolidated subsidiaries, 127 equity-method affiliates, and other affiliated companies (if the subject of activities or data are limited, this is indicated by notes in the report.)

Forward-Looking Statements
 This report contains forward-looking statements concerning MOL's future plans, strategies, and performance. These statements represent assumptions and beliefs based on information currently available* and are not historical facts. Furthermore, forward-looking statements are subject to a number of risks and uncertainties that include, but are not limited to, economic conditions, worldwide competition in the shipping industry, customer demand, foreign currency exchange rates, bunker prices, tax laws, and other regulations. MOL therefore cautions readers that actual results may differ materially from these predictions.

* As of the end August 2022, unless otherwise specified

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Referenced Guidelines

- "Integrated Reporting Framework," IFRS Foundation
- "Guidance for Collaborative Value Creation," Ministry of Economy, Trade and Industry



Underlined words in this report are explained in the Glossary on page 82.

Vessel on the Cover

The cover photograph shows a service operation vessel (SOV) specially designed to support the maintenance of offshore wind farms. While SOVs have become widely used in Europe, this is the first newbuild SOV of its kind in Asia. With accommodation for up to 90 personnel, the vessel is equipped with a dynamic positioning system that maintains a constant distance between the vessel and an offshore wind turbine. Also, the vessel has a special gangway that enables technicians to safely transfer from the vessel to an offshore wind turbine. After completion in March 2022, the vessel was chartered on a long-term basis to Ørsted A/S, the world's largest offshore wind farm operator, and is now engaged in supporting operations and maintenance at the 900 MW Greater Changhua Wind Farms in Taiwan.



With “a social infrastructure group centered on marine transport” as its slogan, the MOL Group will realize its comprehensive strength to advance bold initiatives for global growth.

Takeshi Hashimoto
President & CEO

T. Hashimoto



» Having Achieved Record Profits, Entering a New Growth Phase

Fiscal 2021, ended March 31, 2022, provided many opportunities to think about our social mission. Due to logistics disruption, sending and receiving essential goods in a timely manner remained challenging in various locations worldwide. Although this was not an issue we could resolve on our own, we regretted being unable to fully meet our core role as a shipping company. The overriding purpose of a company is to continue providing society with value through business activities. A revision of our corporate mission in fiscal 2021 rededicated us to the fulfillment of our social mission. Given the strain being felt around the world due to shortages of goods and soaring prices, we must continue providing services in ways that facilitate day-to-day life and economic activities.

As for our business performance, meanwhile, we were able to achieve record profits, posting ordinary profit of ¥721.7 billion. As a result, fiscal 2021 proved to be a very fruitful year in which our financial position improved markedly. Analysis of our business performance tends to focus on the historically high freight rates enjoyed by the containership business. However, our performance is also attributable to the steadily

emerging benefits of structural reforms implemented to date. For example, the April 2021 establishment of MOL Drybulk Ltd. has enabled the Headquarters of Dry Bulk Business to provide one-stop services and improve profitability. Similarly, adjustment of tonnage volume and rationalization of vessel allocation have greatly enhanced the profitability of the car carrier business. Admittedly, a large contribution is being made by equity in earnings of affiliates from Ocean Network Express Pte. Ltd. (ONE), which is responsible for the containership business. Nonetheless, I am extremely happy to report that, even if the contribution from ONE is excluded, we are ahead of schedule in reaching the medium-term profit targets set in fiscal 2017, when we introduced rolling management plans.

In addition, we steadily progressed in realizing the Environmental Strategy set out as a priority in Rolling Plan 2021. Reducing greenhouse gas (GHG) emissions is certain to require new capital investment and the use of expensive fuels. The extra costs inevitably associated with such environmental initiatives previously led some Group personnel to adopt a stance of fulfilling the minimum requirements when there

was no choice but preferring to avoid these initiatives whenever possible. However, since announcing MOL Group Environmental Vision 2.1 in June 2021 and clearly explaining to internal and external stakeholders the direction in which we must proceed, I feel that the mindset of Group officers and employees has transformed. Understanding of the need to earnestly tackle climate change countermeasures has

progressed greatly. Based on the recognition that if climate change continues at the current rate the whole world will be in deep trouble, there is a growing awareness within the Company of thinking together with customers about the best solutions and encouraging initiatives that make both our businesses and those of customers sustainable.

“Cruising Speed” of ONE and the Group’s Target Profit Scale

» Aiming to Stably Generate Profits on a Scale Commensurate with Accumulated Shareholders’ Equity

The MOL Group’s shareholders’ equity has grown dramatically thanks to favorable performances over the past two fiscal years. If the Group performs as expected in fiscal 2022, shareholders’ equity will reach approximately ¥2.0 trillion in the near future. I believe that, having been entrusted with the capital of shareholders, we have a responsibility to pursue as a minimum target a return of about 10.0% of shareholders’ equity, or in other words, profits of roughly ¥200.0 billion.

To stably realize profits of ¥200.0 billion, we will require ONE to continue making solid contributions even after container freight rates have normalized. Assuming that ONE’s sales range is between ¥2.0 trillion and ¥3.0 trillion, we would like to get the company on track to achieve a profit margin of between 5.0% and 10.0%. If this is realized, ONE’s profits are likely to trend between about ¥100.0 billion and ¥300.0 billion, which means that MOL can expect to record equity in earnings

of affiliates of between roughly ¥30.0 billion and ¥100.0 billion. In addition, we will steadily solidify marine transport business, other than containerships, that each generates profits in the tens of billions of yen, such as dry bulkers, tankers, car carriers, and LNG carriers. We will also create non-marine transport business with these levels of profits, including the

offshore, real estate, and logistics businesses. Our immediate goal is to establish these profit levels so that we can realize profits of ¥100.0 billion or more even in unfavorable conditions and profits in excess of ¥200.0 billion when business in volatile markets perform well.

Rolling Plan Progress and Future Direction (1)

» Reforming Our Business Portfolio to Build a More Sustainable, Stable Corporate Entity

While the absolute amounts of profits are of course one focus, the stability of business performance is also important. In reducing the degree to which market conditions impact business performance and creating a structure that can consistently generate stable profits, reform of our business portfolio is unavoidable. With this in mind, we have included in Rolling Plan 2022 a Portfolio Strategy that targets raising the profits of non-marine transport businesses—mainly offshore, logistics, real estate, and projects related to the offshore wind power generation business—from fiscal 2021's result of approximately ¥14.0 billion to between ¥60.0 billion and ¥80.0 billion by fiscal 2035.

A feature of marine transport, which is the Group's core business, is the significant performance volatility caused by fluctuations in economic and market conditions. Among our marine transport businesses, this volatility is particularly pronounced in such areas as containerships, dry bulkers, tankers, and car carriers. Given the robust profitability of these businesses when they are doing well and our social mission to support global economic activities, these businesses will remain core businesses. On the other hand, among the same marine transport businesses, the LNG carrier business, the methanol carrier business, and other

businesses mainly based on long-term contracts have relatively low profit margins but generate stable cash flows over the long term. Therefore, by growing such businesses so that they account for a greater share of profits, we will mitigate performance fluctuations in our marine transport businesses as a whole. Further, as the third pillar of our approach, we will increase the relative weight in our business portfolio of domains such as logistics and real estate, whose performances are affected by factors that are completely different from those that affect the performances of marine transport businesses. We will become a corporate group that can generate consistent profits by building a well-balanced business portfolio based on three major pillars: high-risk, high-return marine transport; long-term stable marine transport; and non-marine transport, such as real estate, warehousing, and offshore businesses.

With our sights set on establishing the aforementioned business portfolio structure, in January 2022 we implemented tender offers for DAIBIRU CORPORATION and Utoc Corporation, which were listed subsidiaries, and then made them into wholly owned subsidiaries. Both of these companies have long histories and have established strong positions in their respective business fields. I am confident that the companies will be able to achieve even greater growth by incorporating MOL's network and global business experience and, if required, MOL's capital strength. Particularly in Asia, which is a target region of our Regional Strategy, we anticipate burgeoning demand for the real estate services offered by DAIBIRU and the heavy goods transport services that are Utoc's specialty. By capturing demand for these services, we intend to maximize both companies' growth potential.

In addition, as we continue developing in fields beyond traditional business models, the extension of our roles in supply chains from existing roles in the marine transport field

to roles in upstream and downstream supply chain fields will open up a wider range of earning opportunities for us. In the marine transport business, in order to meet the needs of customers, we need to propose optimal transport methods based on an in-depth understanding of the customer's entire business. In the process, we will gain a detailed and extensive knowledge of the cargo being transported, the related industries, and the structures of businesses in the supply chain beyond the marine transport field. Historically, supply chain functions have gradually become specialized and discrete. However, I feel that there is scope for optimization of these functions through the provision of more-integrated services that extend beyond MOL's mainstay marine transport field to encompass upstream and downstream fields, such as

warehousing, real estate, and logistics. This approach is also related to the Regional Strategy that I will explain shortly. In particular, plans call for growing businesses in partnership with conglomerates and state-owned enterprises in India, China, and Southeast Asia. Nothing is written in stone to the effect that these entities only seek business relationships with MOL that are limited to transport. Since such countries have certain barriers to entry and business relationships with local companies cannot be created overnight, we will establish a business model that makes the most of the favorable reputation we have cultivated so far in terms of reliability, technological capabilities, and safety to venture into the joint operation of an array of businesses that are not limited to marine transport.

Rolling Plan Progress and Future Direction (2)

» Evolving Businesses by Combining Environmental and Regional Strategies

In addition to the Portfolio Strategy, the Environmental and Regional strategies will be important drivers of business development going forward. With regard to the Environmental Strategy, given current overall social trends, demand for goods and services that address environmental issues is likely to increase in various fields, including renewable energy and environmental protection. Accordingly, MOL aims to seize the business opportunities stemming from such demand. As part of these efforts, in fiscal 2021 we embarked upon our first investment in the offshore wind power generation business, a business field that has a strong affinity with our knowledge of offshore operations. This business is in a field that companies from various peripheral industries, such as electric utilities and engineering, are endeavoring to enter with an eye on the market's growth potential, but we believe that there are sure to be business opportunities that a marine transport company can capture by utilizing its personnel and expertise. Specific areas in which we could establish businesses include the installation and maintenance of power generation facilities or the acquisition of floating offshore wind power generation facilities to enter into the power generation business. We want to actively develop such business opportunities because their realization will both address social issues and increase our growth potential.

Further, Rolling Plan 2022 earmarks an additional ¥360.0 billion for environmental investment over the next three fiscal years—up significantly from that of the previous Rolling Plan.

With this investment, we will expand our low- and zero-emission energy businesses, including the offshore wind power generation business, and evolve our existing marine transport businesses by developing a fleet that uses alternative fuels to reduce our GHG emissions. In this way, we will be able to continue providing services that are both socially sustainable and the preferred choice of customers.

Next, I will turn to our Regional Strategy. Traditionally, our sales organization has been vertically divided according to vessel type. In this business model, for instance, the car carrier business is run by the Car Carrier Division, while the LNG carrier business is run by the LNG Carrier Division, with each division located in the Tokyo Head Office and developing separate operations around the world. This way of organizing businesses has certain advantages in terms of promoting expertise and efficiency. However, even if one division works hard and manages to establish a business relationship with a major customer in one country, other divisions may be focusing efforts on another country with higher priority for them. Consequently, the Group may not fully utilize painstakingly established bridgeheads. Therefore, I want to build a structure that can spread the benefits of such hard-won positions across the organization. Although our development of this type of organization is still incomplete, over the past few years we have been introducing a system whereby the Corporate Marketing Division, chief executive representatives, and chief country representatives take a more comprehensive approach





to regions that are not restricted by the divisional boundaries. By advancing this approach even further and implementing initiatives ahead of those for other regions, we are developing an "India model" (→ page 21). In fiscal 2022, we have appointed to the new position of executive officer in charge of South Asia and the Middle East an Indian officer who is conversant with local conditions and delegated authority on matters related to regional business development to this officer. We are initiating this type of structural change because the creation of a system in which the officer with regional responsibility is given discretion and flexibility is essential if we are to

realize our Regional Strategy of jointly operating a range of businesses by becoming the trusted partner of local companies in each country.

The first reason why we have chosen India as a target is the scale of the country's market. There is ample scope to establish similar structures in countries such as Indonesia, where we have been engaged in businesses for many years, and the Philippines, which is a major supplier of crew members. Given the resources that need to be committed, however, we wanted to begin by tackling a large-scale market. A second reason for selecting India is that, while various barriers to entry remain, once business foundations have been established and become entrenched in the country and its market, we will be able to leverage this position to expand other businesses. As we have a track record of doing business with Indian customers in the fields of tankers and LNG carriers, we want to extend these business activities to include car carriers and dry bulkers. We are not yet at the stage of being able to set specific targets for sales and profits, but the goal is to quickly grow operations to a scale where 30 to 40 India-based vessels are continuously transporting cargo to the country. If this endeavor is successful, we will introduce the model to the markets of other countries and regions, including Southeast Asia, China, Brazil, and Africa.

Reinforcement of the Management Resources for Growth Strategy Implementation

» Pursuing the Human Resource Management and M&As Needed for a New MOL

In realizing the Portfolio, Environmental, and Regional strategies that I have explained so far, the Group must strengthen in-house management resources. We are placing particular emphasis on finding and securing personnel and ensuring that each employee fully realizes their potential. With its business fields continuing to expand, the Group must establish a workforce that accounts for an even greater range of skill sets and aptitudes. Further, since the scope of our businesses is global, proceeding with Japanese personnel alone would be impractical. In other words, we need the capabilities of local personnel who are thoroughly familiar with each region's values and business practices. The current management of the Company's organization is still being conducted by a Japanese senior management team in Tokyo. Consequently, the promotion of diversity and inclusion is an urgent task. This task is easy to

identify but very difficult to accomplish. Nonetheless, I believe that the issue of diversity and inclusion is a challenge that the Group must overcome if it is to survive as a sustainable corporate group going forward.

Also, M&As are a powerful way of simultaneously acquiring personnel and businesses. In selecting partners, we will focus on acquiring companies that operate in environmental business fields—particularly in the fields of renewable energy and alternative fuels—but which lack the funds and personnel needed for further growth. Combining the resources of such companies with our funds and personnel will enable us to grow together. When searching for such partners both domestically and internationally, we will focus on finding groups of people with whom we have an affinity and compatibility that makes us want to work and grow businesses with them.

Social Sustainability and MOL

» Seeking the Business Sustainability Essential for a Company Engaged in Social Infrastructure Projects

The word "sustainability" can be interpreted in several ways. I view the achievement of sustainability as meaning that we are able to continue pursuing our fundamental purpose as a social infrastructure provider, which is to bring capital and personnel together to build platforms and create new value. Throughout its history, the marine transport industry has been at the mercy of market fluctuations and has experienced many significant successes and failures. A business is not sustainable if a failure can result in severe damage that makes continuation of the business impossible. As a company engaged in social infrastructure business, we would like to focus on sure-footedly conducting appropriate operations to ensure our continued provision of value to society over time frames of 10 to 20 years. I do not think an approach of constantly seeking the next boom is desirable.

The pursuit of sustainability and profitability tend to be seen as mutually exclusive, but I believe that we can view the matter in a more unified way. In April 2022, the Group announced the MOL Sustainability Plan. In light of changes in the Company's business environment and in society as a whole, we have analyzed and reviewed our previously established Sustainability Issues (Materiality) and set out specific key performance indicators (KPIs) and action plans for each Sustainability Issue. When starting new businesses, we will select and pursue initiatives in fields that are truly useful to and needed by society. If we can make a positive impact on the structural challenges of society while earning returns through such efforts, I think we can say that we are making a significant contribution to sustainability.

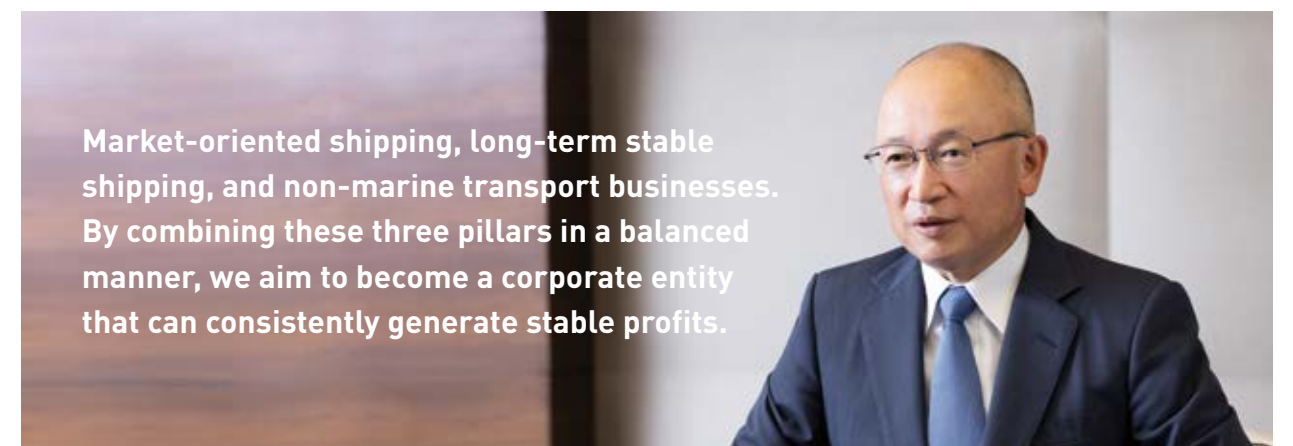
In Conclusion

» Aligning Business Development with Future Global Trends

Globally, the outlook is extremely unpredictable. At present, geopolitical issues represent a huge risk, but even if peace is restored, issues such as climate change, food shortages, and demographic imbalances remain unsolved. The unfolding of events will bring progress and setbacks, and at times the world may become even more divided. Although there are likely to be many twists and turns, I feel that thinking about pandemics and other difficult global issues inevitably brings us back to the

conclusion that the only way to tackle and resolve them is for the world to work in unison. With this in mind, we must pursue management strategies focused on developing businesses that enable the world's seven or eight billion people to prosper together in peaceful, safe environments.

I would like to ask our shareholders and other stakeholders for their continued support and understanding.



Input

The MOL Group's Capital

Financial Capital

- ▶ Financial base that underpins reliable performance of long-term contracts, some of which cover periods of more than 20 years
- ▶ Stable cash flows generated from a diverse portfolio of vessel types and businesses

Manufactured Capital

- ▶ Diverse fleet of approximately 800 vessels
- ▶ Sales and ship management offices in 41 countries and regions

Intellectual Capital

- ▶ In-depth understanding of vessel operations and cargo handling as well as advanced maritime skills
- ▶ Broad knowledge of vessels backed by extensive experience
- ▶ Strong commitment to innovation of the marine transport business and a wide range of expertise as a base
- ▶ Project management capabilities for discovering needs and commercializing ideas

Human Capital

- ▶ Highly diverse land-based personnel and crew members numbering around 14,000
- ▶ Personnel who share the MOL CHARTS values

Social and Relationship Capital

- ▶ History and track record stretching back more than 130 years
- ▶ Customer networks and partnerships in Japan and overseas
- ▶ Presence in maritime clusters around the world

Natural Capital

- ▶ Natural environment that sustains business continuity

Our Activities



Output

Fiscal 2021

Marine Transport Business

MOL voyages
Approx. **3,100**
(Excluding time charter-out voyages)

Offshore Businesses

4 FSRUs
7 FPSOs
1 Powership

Logistics Business

The MOL Group's marine cargo volume
Approx. **180,000** TEU

The MOL Group's air cargo volume
Approx. **60,000** tons

Terminal Business

Cargo volume of MOL Group terminals in Japan and overseas
Approx. **7.7** million TEU

Real Property Business

Total floor area of DAIBIRU-owned properties
Approx. **710,000** m²

Offshore Wind Power Generation-Related Businesses and Clean Energy Businesses

Involvement in offshore wind, wave power, tidal power, and ocean thermal energy conversion (OTEC) generation

Outcome

Fiscal 2021

Financial Capital

Ordinary profit
¥721.7 billion
Free cash flow
+¥200.1 billion

Rating and Investment Information, Inc. (R&I) issuer rating
Regaining of a rating within the "A" class (A-)

Manufactured Capital

Newbuild vessels completed
29
(Including four vessels related to environment-friendly and emission-free businesses)

Appointment of four new chief country representatives, including in Kenya

Intellectual and Human Capital

New graduate hires
58
Mid-career hires
24
Technical personnel
71
Sea-based employees
434

Social and Relationship Capital

Participation in the World Economic Forum (Davos Forum)
Commencement of improvement of initiatives for chartered vessel owners

Natural Capital

CO₂ emissions reduction
-1,025,000 tons
(Scope 1, compared with pre-pandemic level)

- Initiatives to restore the natural environment in Mauritius (→page 53)
- Launch of a blue carbon project (→page 38)

Realization of the MOL Group Vision

Achievement of the fiscal 2027 management indicators established in Rolling Plan 2022

Ordinary profit
¥200.0 billion
ROE
9.0–10.0%

Achievement of targets established in the MOL Sustainability Plan

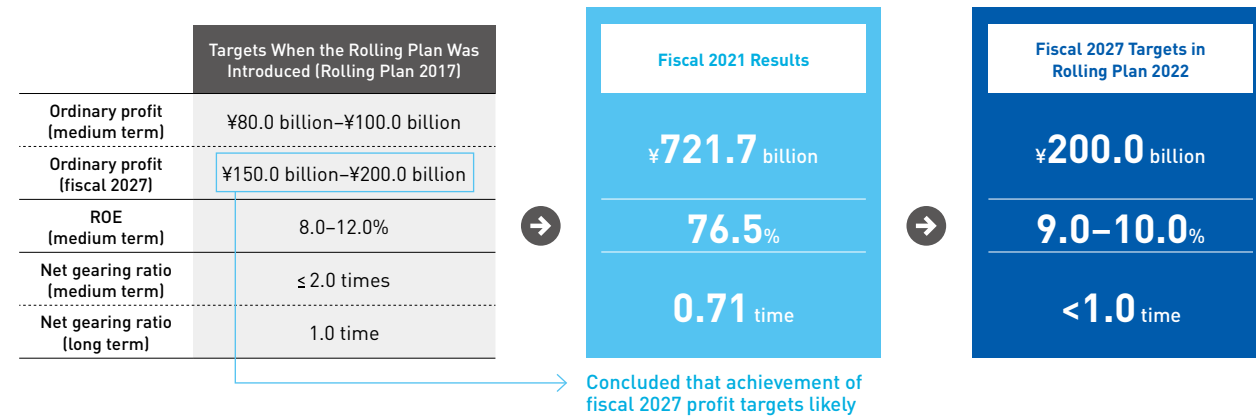
Reinvestment and the accumulation of knowledge

Review of the Management Plans —Achievements since Introducing the Rolling Plan

Progress since Introducing the Rolling Plan

In fiscal 2017, we stopped using medium-term management plans, replacing them with a rolling management plan. First, we set out a 10-Year Vision. We then created a plan by back-casting from this vision and revised the plan by checking progress each year. By fiscal 2021, after revising the plan in this way five times, we achieved the financial strength targets that were set for fiscal 2027. Moreover, the prospect of reaching the fiscal

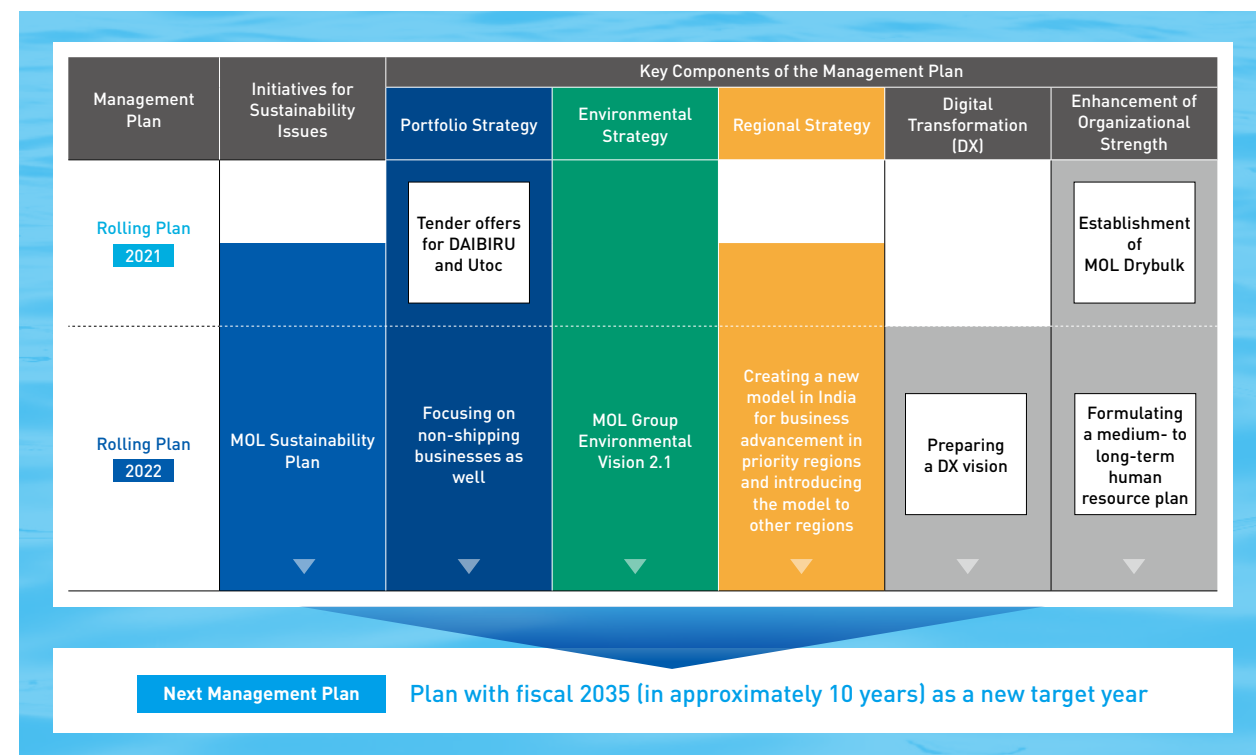
2027 profit targets was within sight, and we realized the portfolio reform and stronger market resilience initially sought. As such, we have decided that Rolling Plan 2022 will be the last management plan focused on the fiscal 2027 targets. By the beginning of fiscal 2023, we will prepare a new management plan targeting a vision for fiscal 2035.



Rolling Plan 2022—A Bridge to the Next Management Plan

Strong performances in fiscal 2020 and fiscal 2021 have markedly improved MOL's financial position, investment capacity, and management options. In addition, we must meet society's ever-increasing expectations of companies in relation to decarbonization and other issues. Under these circumstances, we

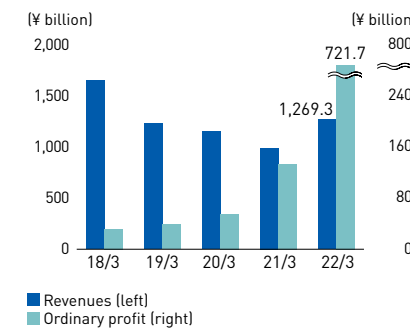
have decided to spend fiscal 2022 formulating a robust management plan that is not an extension of our previous plan and which reflects new realities. In the meantime, we will continue fiscal 2021's forward-looking measures and integrate them with the initiatives of the new plan.



Achievements since Introducing the Rolling Plan

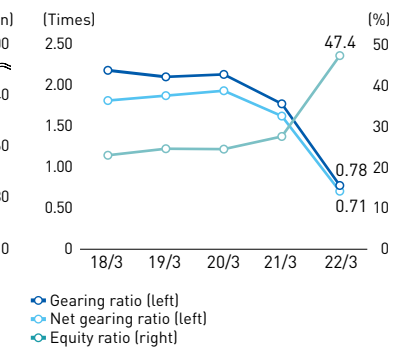
Revenues / Ordinary Profit

Fiscal 2021
Ordinary Profit **¥721.7 billion**



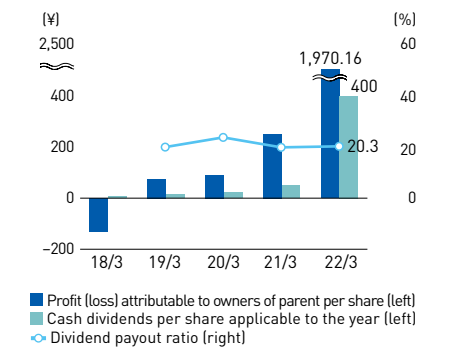
Gearing Ratio / Net Gearing Ratio / Equity Ratio

End of fiscal 2021
Equity Ratio **47.4%**



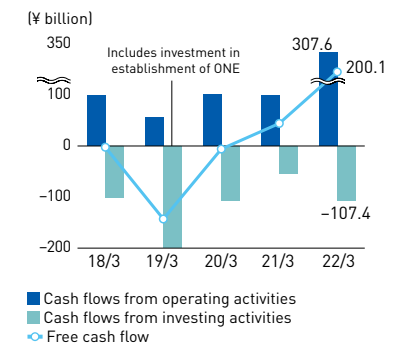
Profit (Loss) Attributable to Owners of Parent per Share / Cash Dividends per Share / Dividend Payout Ratio

Fiscal 2021
Cash Dividends per Share **¥400.00**



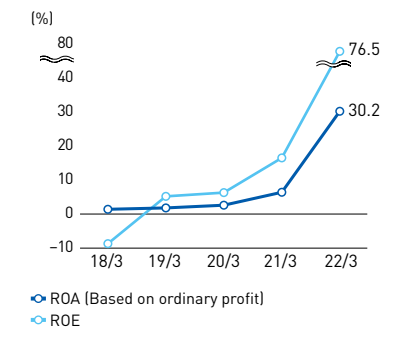
Cash Flows

Fiscal 2021
Free Cash Flow **¥200.1 billion**



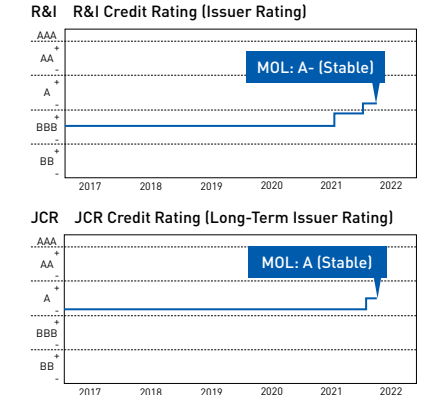
ROA / ROE

Fiscal 2021
ROE **76.5%**

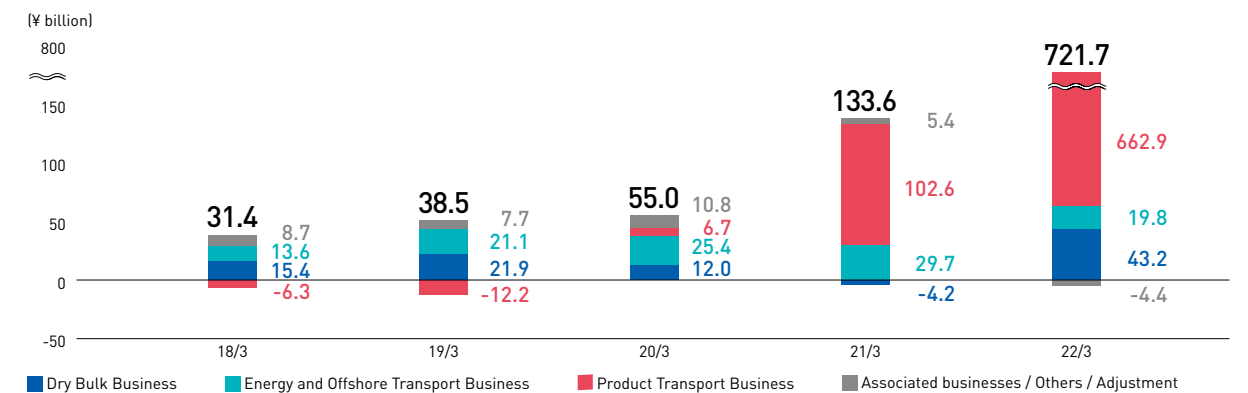


Credit Ratings

As of March 31, 2022
JCR **A (Stable)**



Ordinary Profit (Loss) by Business Segment



Theme and the Three Growth Strategies of Rolling Plan 2022

Under the theme of "Integrating the MOL Group's strengths to achieve growth globally," Rolling Plan 2022 sets out three growth strategies—Portfolio, Environmental, and Regional. The Portfolio Strategy calls for strengthening of non-shipping businesses to improve the stability of the Group's profits.

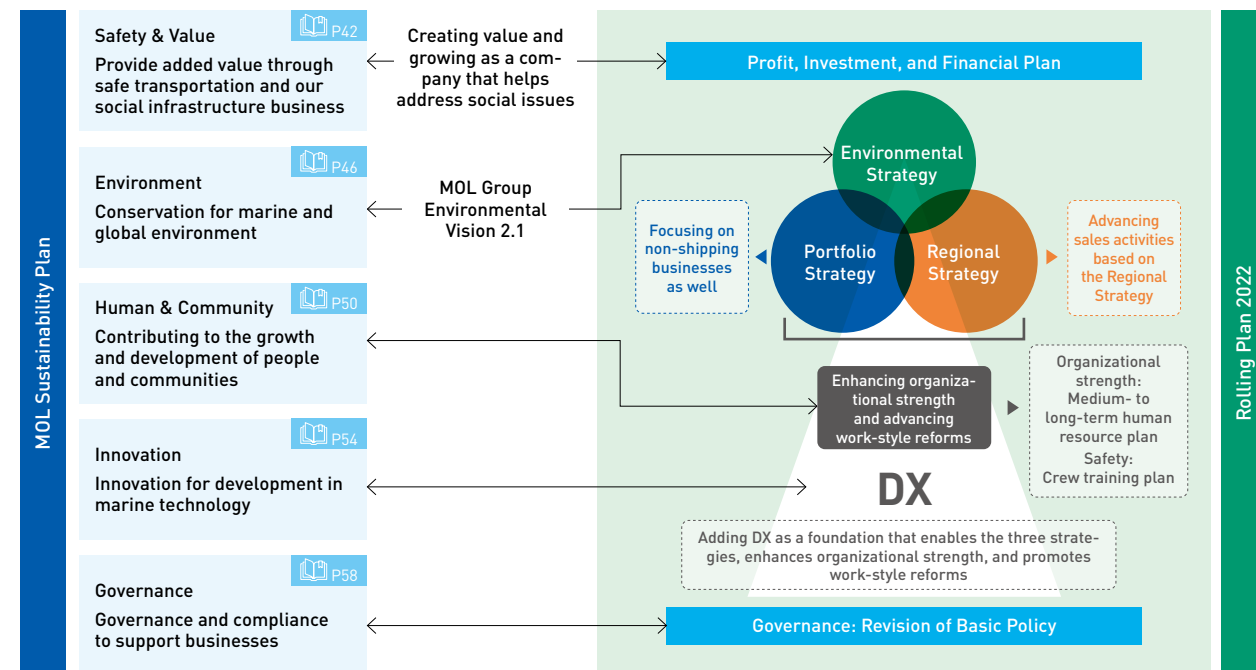
Under the Environmental Strategy, we will accelerate the initiatives set forth in MOL Group Environmental Vision 2.1. Meanwhile, the Regional Strategy will involve establishing a stronger presence in priority countries and regions by adopting an "India model" (→pages 16 to 21).



Initiatives Based on Both Rolling Plan 2022 and the MOL Sustainability Plan

In fiscal 2022, we reorganized existing initiatives for Sustainability Issues (Materiality) to formulate the MOL Sustainability Plan—a more concrete plan that specifies KPIs and action plans (→page 40). In addition, to emphasize our commitment to addressing social issues through our

businesses, we prepared the chart below to clearly delineate the relationships between the MOL Sustainability Plan and Rolling Plan 2022. The MOL Group will promote both plans in tandem.



Rolling Plan 2022: Investment Plan

Given our increased investment capacity, between fiscal 2022 and fiscal 2024 in terms of cash outflows, we plan to invest ¥1.0 trillion, which includes ¥730.0 billion of newly earmarked investments.

As well as significantly increasing our three-year environmental investment to ¥530.0 billion between fiscal 2022 to fiscal

2024 from the prior ¥200.0 billion between fiscal 2021 to fiscal 2023 in Rolling Plan 2021, we will explore M&A opportunities, particularly among the non-shipping businesses in line with our three growth strategies.

Breakdown of Investment from Fiscal 2022 to Fiscal 2024

	Investments Determined as of March 31, 2022	New Investments Planned for FY2022–FY2024	Subtotal	Expected Internal Rate of Return	Details
Environmental Investment	170.0	360.0	530.0		
Of which, introduction of vessels that use alternative fuels	90.0	245.0	335.0	≥ 5.0%	<ul style="list-style-type: none"> LNG-fueled dry bulkers, LNG-fueled car carriers, etc. Vessels that use next-generation fuels (development and ordering)
Of which, expansion of low- and zero-emission energy businesses	80.0	115.0	195.0	>5.0%	<ul style="list-style-type: none"> New LNG carriers, LPG carriers, ammonia carriers, etc. Offshore wind power generation and related businesses
Business Expansion, Asset Augmentation, and M&As	100.0	370.0	470.0	>8.0%	<ul style="list-style-type: none"> Investment in Group companies Replacement of existing fleet
Total Investment	270.0	730.0	1,000.0		

Rolling Plan 2022: Profit Plan and Cash Flow Forecast

Against the backdrop of a booming containership market, in fiscal 2022 we are expecting a high level of ordinary profit, second only to that of fiscal 2021. At the end of July 2022, we upwardly revised the ordinary profit forecast to ¥710.0 billion, compared with a forecast of ¥525.0 billion issued at the end of April 2022. However, given the anticipated normalization of logistics as well as the delivery of a large number of new containerships, we are targeting ordinary profit in the ¥140.0 billion

to ¥145.0 billion range from fiscal 2023 through fiscal 2024. Thereafter, we will realize recurring profit of ¥200.0 billion by fiscal 2027, based mainly on growth in the LNG carrier, offshore, car carrier, and real property businesses coupled with a recovery in the containership business. In addition, we will seek an overall balance between investing cash flows and operating cash flows, thereby exercising financial discipline even while actively investing (→page 24).

	FY2021 Actual*2	FY2022 Forecast	FY2023 Forecast	FY2024 Forecast	FY2027 Target
Profit Targets					
Ordinary profit	721.7	525.0 (As of announcement on April 30, 2022)	140.0	145.0	200.0
Dry Bulk Business	43.2	30.0	32.0	24.0	24.0
Energy Business	19.8	22.0	41.0	48.0	63.0
Product Transport & Real Property Business	672.9	477.0	70.0	75.5	113.0
Associated Businesses	-2.3	-0.5	0	0.5	4.0
Others and adjustments (corporate and eliminations)	-11.8	-3.5	-3.0	-3.0	-4.0
ROE (%)	76.5	35.0		7–8	9–10
Cash Flows					
			FY2022–FY2024 Cumulative	FY2022–FY2027 Cumulative	
Cash flows from operating activities	307.6		820.0	1,570.0	
Cash flows from investing activities	107.4		880.0	1,630.0	
Of which, investment			1,000.0	1,930.0	
Asset disposal and liquidation			-120.0	-300.0	
Free cash flow	200.1		-60.0	-60.0	
Financial Target (Fiscal year-end)					
Net gearing ratio (Times)	0.71	—	—	0.8	<1.00

*2 Fiscal 2021 results by segment have been converted to reflect business headquarters as of fiscal 2022.

Portfolio Strategy

▶ Transforming into a more stable profit structure by expanding non-shipping businesses whose profits and losses fluctuate depending on factors different from those of the shipping market



▶ Portfolio Strategy—Basic Aims

Under Rolling Plan 2022, in addition to advancing our traditional core shipping business, we aim to strengthen non-shipping businesses and grow their profits from the fiscal 2021 level of approximately ¥14.0 billion to between ¥60.0 billion and ¥80.0 billion by fiscal 2035. By strengthening business fields with market characteristics that differ from the volatility of the shipping market, the MOL Group will diversify its portfolio and accumulate stable profits.

The real property business and the logistics business were bolstered by the inclusion of DAIBIRU CORPORATION and Utoc Corporation in the MOL Group as wholly owned subsidiaries in fiscal 2022 and fiscal 2021, respectively.

The Group will give both subsidiaries central roles in its non-shipping businesses, which the Group will expand by utilizing management resources even more effectively. In the offshore business, the Group will step up investment in non-transport businesses that it has been advancing for some time, such as FSRUs, LNG-to-Powerships, and Carbon Capture, Utilization, and Storage (CCUS). Meanwhile, the offshore wind power generation business and related businesses are proactively marketing in Japan and overseas to capture demand related to the trend toward decarbonization.

As for alternative energy sources such as hydrogen and ammonia, we will not only develop businesses targeting future transport demand but also explore investment opportunities upstream in the supply chain, thereby achieving multifaceted expansion of our portfolio.

Also, we aim to strengthen the structural resilience of the shipping business even further so that it generates stable profits while minimizing the impact of market conditions. To this end, we will achieve an appropriate balance between highly volatile businesses—such as the dry bulk, car carrier, and containership businesses—and businesses with stable earnings and high market resilience such as the LNG carrier business.

In accordance with our investment plan, we will achieve targets through continued aggressive investment in non-shipping business fields. As part of these initiatives, the MOL Group will invest at least ¥100.0 billion in the real property business between fiscal 2022 and fiscal 2024. The Group will further capitalize on its global network to augment DAIBIRU's overseas business development. At the same time, the shipping business will proactively invest, including investment to introduce vessels that use alternative fuels.

	Shipping	Non-Shipping
Fiscal 2021 Achievements	<ul style="list-style-type: none"> Steadily advanced investments in LNG carriers, LPG carriers, and ammonia carriers, which belong to low-carbon businesses Decided to invest in Waterfront Shipping Limited, a shipping subsidiary of Methanex Corporation, which is the world's leading producer of methanol 	<ul style="list-style-type: none"> Concluded our first contract for investment in an offshore wind power generation project Implemented tender offers for DAIBIRU and Utoc as investments in the real property business and logistics business, respectively
Fiscal 2022 Strategy	<ul style="list-style-type: none"> Continue pursuing investment opportunities not only in relation to transport demand for alternative energy stemming from the trend toward low-carbon and decarbonization initiatives but also in the upstream fields of alternative energy supply chains 	<ul style="list-style-type: none"> Continue to invest aggressively in the offshore, offshore wind power generation, logistics, and real property businesses, with new investment of at least ¥100.0 billion in the real property business

▶ Examples of Initiatives

Tender Offers for DAIBIRU and Utoc and the Introduction of Group Executive Officers

On November 30, 2021, MOL announced tender offers for DAIBIRU and Utoc, and both companies had become wholly owned subsidiaries by April 2022. While both companies have been members of the MOL Group for many years, they were also listed in the First Section of the Tokyo Stock Exchange. Consequently, their positions in the MOL Group's management strategy have been somewhat marginal until now. Making both companies wholly owned subsidiaries will enable the Group to optimize the allocation of management resources in line with its management strategy. In addition, DAIBIRU and Utoc will be able to grow globally by capitalizing on the networks of the Group and capturing the latent needs of its customers.

In April 2022, a new system was introduced that appoints the presidents of the Group's five core companies to the

position of Group executive officer, which is a Head Office executive officer position. The Group companies in question are DAIBIRU, Utoc, MOL Drybulk Ltd., MOL Chemical Tankers Pte. Ltd., and MOL Information Systems, Ltd. By placing these Group companies on the same level as the Head Office sales divisions, the new system will enable prompt decision-making, thereby strengthening the management of the Group.

In addition to the aforementioned Group executive officer system, the MOL Group will take wide-ranging measures to strengthen its business management. For example, the Group will increase the organic links between its management strategies and those of Group companies to facilitate cohesive Groupwide drives toward the targets of Rolling Plan 2022 and the MOL Sustainability Plan.

Concerted Initiative Focused on Offshore Wind Power Generation-Related Businesses

The supply chain for offshore wind power generation, which is attracting attention as a promising alternative power source that can support decarbonization efforts, comprises many fields where the MOL Group can leverage its experience in marine transport and offshore businesses. Specific fields include the transport of materials and equipment, power-cable laying, wind turbine installation, power generation, equipment maintenance, and personnel recruitment and training. As for the offshore wind power generation business, which is the core of the supply chain, we began investing and participating in and dispatched a director to a working offshore wind power generation project in Taiwan in 2021. The aim of our foray into this segment of the supply chain is to rapidly acquire knowledge of the overall operational management and profit structures of the offshore wind power generation business that we can use in further development going forward. In addition, we have already established a joint venture with a major partner in Japan with a view to participation in power generation projects.

In peripheral fields, we have acquired a stake in a company that operates five self-elevating platform (SEP) vessels,*1 which install power generation equipment. The company is currently involved in work off the coast of Noshiro

in Akitu Prefecture. In Taiwan, we are engaged in a business that charters out special-purpose service operation vessels (SOVs)*2 used in the maintenance of wind turbines. Other initiatives being realized by Group companies include the provision of Japan's first crew training program to use a dynamic positioning system*3 simulator, the rollout of a service that trains non-Japanese maintenance technicians, and preparation for participation in a power transmission cable-laying business.

Although all in their early stages at this point, the aforementioned initiatives will become the businesses that give concrete form to our Portfolio and Environmental strategies. For this reason, the MOL Group will advance a concerted effort to develop these fledgling businesses into mainstays that help realize the fiscal 2035 targets set out for non-shipping fields in Rolling Plan 2022.

*1 SEP vessels are special vessels that extend four legs to the seabed to enable the conduct of installation work for wind power generation equipment in stable conditions.

*2 SOVs have extensive accommodation for maintenance technicians working on the multiple wind turbines that make up an offshore wind farm, allowing technicians to stay on-site for extended periods.

*3 Dynamic positioning systems automatically calculate external forces such as wind, wave, swell, and tidal currents to maintain a vessel at a fixed point or navigate a set route with precision. These systems are indispensable for vessels that exactly maintain their position at fixed points, such as cable-laying ships, offshore wind power-related special-purpose vessels, and seabed oil field-related offshore vessels.

Main Initiatives



▶ **Power-cable laying**
Operation of cable-laying ships capable of laying power transmission lines

Photo courtesy of Kokusai Cable Ship Co., Ltd.



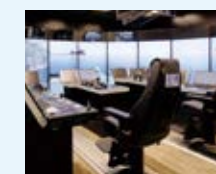
▶ **Installation of power generation equipment**
Acquisition of a stake in a company that operates five SEP vessels, which are used for the installation of offshore power generation equipment



▶ **Power generation**
Participation in a company that operates a fixed-bottom offshore wind farm off the northwest coast of Taiwan with a capacity of 128 MW



▶ **Maintenance**
First company in Asia to own and charter out SOVs for the maintenance of offshore wind turbines



▶ **Crew training**
Ownership of a dynamic positioning system simulator and provision of advanced training for crews

Photo courtesy of MOL Marine & Engineering Co., Ltd.



▶ **Non-Japanese personnel training and employment**
Planning to launch a business in the Philippines that utilizes our expertise in crew member training to develop non-Japanese personnel to work in the field of offshore wind power generation

Environmental Strategy

In line with MOL Group Environmental Vision 2.1, tackle industry-leading decarbonization initiatives and seize new business opportunities in the alternative energy field

The naming and launching ceremony of the ASAHI, the world's first pure battery tanker



Environmental Strategy—Basic Aims

Formulated in June 2021, MOL Group Environmental Vision 2.1 establishes three medium- to long-term targets: deploy net zero emissions oceangoing vessels in the 2020s; reduce GHG emissions intensity by approximately 45.0% by 2035 (compared with 2019); and achieve net zero GHG emissions for the entire Group by 2050. To achieve these targets, the Group is steadily implementing various initiatives. Of the cumulative total investment of ¥1.0 trillion projected for the three-year period from fiscal 2022 to fiscal 2024 under Rolling Plan 2022, ¥530.0 billion has been earmarked for investments in vessels that use alternative fuels as well as in low-carbon and decarbonization initiatives. These investments represent increases in terms of both scale and share compared with Rolling Plan 2021, which called for the allocation to low-carbon and decarbonization initiatives of ¥205.0 billion relative to a total investment of ¥450.0 billion.

We will proactively invest to introduce vessels that use alternative fuels and achieve the medium- to long-term goals of MOL Group Environmental Vision 2.1. Issues remain to be addressed, such as how to overcome the combined impact of a hike in shipbuilding costs—which is accompanying the current increases in the prices of steel and other materials—and the additional costs associated with the introduction of vessels that use alternative fuels. Nonetheless, we will take advantage of the significant improvement in our financial

position since fiscal 2020 to systematically develop our fleet. For the time being, the majority of our newbuild orders will be for LNG-fueled vessels. However, given that ammonia is expected to be used as a next-generation fuel, the Company will participate in the technological development of ammonia-fueled vessels and actively work toward the early introduction of such vessels and expansion of the fleet.

As well as fuel conversion, we will work on multiple fronts to realize a GHG emission reduction road map. Depending on the characteristics of each vessel type, we will introduce energy-saving technologies that use wind as propulsion, such as the Wind Challenger hard sail system (→page 56) and Rotor Sail, and other energy-saving devices.

Worldwide, the Group's low- and zero-emission energy businesses will contribute to society's low-carbon and decarbonization initiatives. At the same time, these businesses will compensate for the decline in demand for the transport of oil and coal by expanding the Group's fleet of LNG and ammonia carriers, which are likely to see growth in transport demand, and by moving forward with investments in the offshore wind power generation business and in peripheral fields.

Lowering carbon and decarbonization is a common global challenge as well as a challenge for customers with whom we have built long-standing relationships. By becoming a solution provider and partner, we will capture new business opportunities.

	Introduction of Vessels That Use Alternative Fuels	Expansion of Low- and Zero-Emission Energy Businesses
	Announced MOL Group Environmental Vision 2.1	
Fiscal 2021 Achievements	<ul style="list-style-type: none"> Prepared a GHG emission reduction road map Introduced <u>internal carbon pricing (ICP)</u> for decisions on new investments Ordered seven new LNG-fueled vessels 	<ul style="list-style-type: none"> Steadily invested in LNG carriers, LPG carriers, and ammonia carriers
Fiscal 2022 Strategy	<ul style="list-style-type: none"> Continue placing orders for new LNG-fueled vessels despite the current upward trend in shipbuilding costs Begin using a plan-do-check-act cycle to achieve a GHG emission intensity reduction target of 1.4% per year in the period through 2030 	<ul style="list-style-type: none"> Continue investing in LNG carriers, LPG carriers, ammonia carriers, and offshore wind power generation-related businesses Develop ammonia-fueled ammonia carriers

For details on initiatives related to the Environmental Strategy, please see "Conservation for Marine and Global Environment" (→pages 46 to 49).

Examples of Initiatives

Introduction of ICP

In fiscal 2021, MOL began the use of ICP as a means of advancing a transition plan based on MOL Group Environmental Vision 2.1. In anticipation of future carbon taxes, emissions trading, and other charges, fixed monetary amounts per ton of CO₂ emissions are set as internal carbon prices, which are used as economic indicators when making investment decisions (CO₂ cost: US\$60 per ton from 2023 to 2039 and US\$140 per ton beginning from 2040). Required to be applied to all investment projects related to the oceangoing marine transport business, the internal carbon prices have already been used in decisions on and in the practical management of more than 10 investments since the introduction of this system.

Examples of ICP Use

ICP has been used in investment projects such as LNG-fueled vessels and the Wind Challenger hard sail system and had a positive effect on decision-making. While low-carbon and decarbonization initiatives usually incur additional costs, ICP shortens envisioned return on investment periods by converting CO₂ emission reductions into monetary benefits, thereby encouraging investment.

Realization of a 5.0% Reduction in Fuel Consumption by the End of 2024 through Operating Efficiency

In April 2022, the Environment & Sustainability Strategy Division formed a dedicated team that is tasked with further enhancing operating efficiency and comprises personnel with experience in ship operations, technical personnel, and sea-based employees.

Through collaboration with Akishima Laboratories (Mitsui Zosen) Inc. and MOL Techno-Trade, Ltd., and the utilization of EcoMOL Inc., which was established in the Philippines in May 2022, MOL is aiming for a total improvement in fuel efficiency of 5.0%. We will achieve 3.0% of this improvement through measures for intangible aspects of operational practices, mainly focused on realizing rigorously efficient operations through the optimization of routing and power output. The remaining 2.0% will be realized through hardware-related measures, including the use of low-friction hull paint, effective hull maintenance,

installation of energy-saving equipment, and propeller replacement. In all of the aforementioned initiatives, the key will be the visualization and utilization of vast amounts of data from respective operating vessels, which is being conducted by the FOCUS project (→page 56).

We have already begun this initiative for approximately 180 operating vessels, and we plan to extend it to cover 500 operating vessels. Serving as the nucleus of the initiative, the dedicated team will coordinate with related parties to reduce GHG emissions and operating costs by beginning with the advancement of fuel consumption reduction measures that will be immediately beneficial.



Ammonia, Hydrogen, and Methanation Initiatives

While promoting the introduction of LNG-fueled vessels as a feasible means of lowering GHG emissions right now, we are conducting extensive studies on ammonia, hydrogen, and other promising candidates for the decarbonized fuels of the future.

<p>LNG</p> <p>Advantage</p> <ul style="list-style-type: none"> Existing onshore infrastructure usable <p>Challenges</p> <ul style="list-style-type: none"> Methane slip countermeasures Development of fuel supply infrastructure <p>MOL's main initiatives</p> <ul style="list-style-type: none"> Service commencement of an LNG-fueled tugboat and LNG-bunkering vessels LNG-fueled ferry under construction LNG-fueled oceangoing vessels already ordered 	<p>Batteries</p> <p>Advantages</p> <ul style="list-style-type: none"> Already in practical use on small vessels No onboard CO₂ emissions <p>Challenge</p> <ul style="list-style-type: none"> Increasing capacities and reducing the weight and size of batteries <p>MOL's main initiatives</p> <ul style="list-style-type: none"> Completion of an electric tanker Considering development for commercial oceangoing vessels
<p>Liquefied Synthetic Methane</p> <p>Advantage</p> <ul style="list-style-type: none"> LNG infrastructure usable <p>Challenges</p> <ul style="list-style-type: none"> Methane slip countermeasures Improvement of synthetic methane production efficiency <p>MOL's main initiatives</p> <ul style="list-style-type: none"> Methanation project Active involvement in <u>carbon capture and utilization/storage</u> projects 	<p>Ammonia</p> <p>Advantages</p> <ul style="list-style-type: none"> No onboard CO₂ emissions MOL's proven track record in the marine transport of ammonia <p>Challenges</p> <ul style="list-style-type: none"> Establishment of fuel supply infrastructure Countermeasures for nitrous oxide (N₂O) and toxicity <p>MOL's main initiatives</p> <ul style="list-style-type: none"> Exploring upstream investments Participation in a study of the fuel supply business in Singapore Considering securing an ammonia-fueled engine and then launching inaugural vessel in the mid-2020s
<p>Methanol and Synthetic Methanol</p> <p>Advantage</p> <ul style="list-style-type: none"> Existing onshore infrastructure usable <p>Challenges</p> <ul style="list-style-type: none"> Toxicity countermeasures Improvement of synthetic efficiency <p>MOL's main initiative</p> <ul style="list-style-type: none"> Active involvement in the methanol-fueled methanol tanker business 	<p>Liquefied Hydrogen</p> <p>Advantage</p> <ul style="list-style-type: none"> No onboard CO₂ emissions <p>Challenge</p> <ul style="list-style-type: none"> Engine development, fuel cell improvement, measures for ultra-low temperatures, and establishment of fuel supply infrastructure <p>MOL's main initiatives</p> <ul style="list-style-type: none"> Participation in a study of the fuel supply business in Singapore Considering the launch of inaugural vessel in the 2020s
<p>Biodiesel</p> <p>Advantages</p> <ul style="list-style-type: none"> Already commercialized as a vessel fuel Existing facilities usable <p>Challenge</p> <ul style="list-style-type: none"> Increasing supply capacity <p>MOL's main initiative</p> <ul style="list-style-type: none"> Advancement of preparations for regular use 	

Regional Strategy

▶ Focusing on Asia but without being limited to transport, take advantage of the MOL Group's collective strength to acquire large-scale projects

The product tanker LILAC VICTORIA, which began providing India-based services for Indian customers in fiscal 2022



Regional Strategy—Basic Aims

Having positioned the Regional Strategy as one of its core growth strategies since the preparation of Rolling Plan 2021, the MOL Group has sought to acquire large-scale projects by taking advantage of its collective strength and focused on Asia, without being limited to transport. The goal is to increase business opportunities by developing Group company businesses as well as new businesses through the utilization of relationships that MOL has built with customers, partners, and other stakeholders around the world.

In fiscal 2021, we identified Asia—where growth is expected—as the most important region for us. In particular, we actively developed businesses in India, focusing on the energy field. Given that Asia is integral to the advancement of our Regional Strategy, we further strengthened our business execution capabilities in the region in fiscal 2022. Based on a west-east division of the region comprising Asia, the Middle East, and Oceania, we have established new executive officer positions dedicated to the promotion of sales in East Asia, Southeast Asia, Oceania, and the South Asia–Middle East region, respectively. To the latter region, we have appointed Ajay Singh, a managing executive officer who is well versed in local conditions.

Under the strong leadership of regional executive officers, we will accurately grasp changing customer needs and establish capabilities for offering solutions based on organic collaboration among local sales bases, Group companies, and

business divisions. Focusing on India, we will use these capabilities to acquire large-scale projects in South Asia and the Middle East.

The Group has also strengthened its global network in countries and regions other than India. In 2016, we introduced a system of chief country / regional representatives, who are now working in 25 countries and regions. Further, to support new initiatives in each country and region, the Head Office's Corporate Marketing Division has been playing a central role in the implementation of the "lead sprints" system (→page 21) since fiscal 2021. This system is enabling us to expedite decision-making and thereby cater appropriately to customer needs in each country and region.

In the same way that we identified India as a priority country, we will select additional priority countries and regions, which will then become focuses of our Regional Strategy going forward. In selecting countries and regions, we will comprehensively consider growth potential and market size in light of macroeconomic indicators as well as the historical foundations that we have built up over many years.

Our investment plan establishes cumulative M&A budgets of ¥100.0 billion for fiscal 2022 through fiscal 2024 and ¥300.0 billion for fiscal 2022 through fiscal 2027. Accordingly, we will actively utilize M&As as a means of expanding businesses in regions.

	Projects Led by Head Office Business Divisions	Projects Initiated by Regional Sales Organizations
Fiscal 2021 Achievements	<ul style="list-style-type: none"> Concluded contracts with customers in China for six new <u>LNG carriers</u> Significantly increased shipments of electric vehicles (EVs) from China to Europe Introduced four vessels, namely Very Large Crude Carriers (VLCCs) and LPG carriers, for customers in India 	<ul style="list-style-type: none"> Introduced the "lead sprints" system to expedite Head Office decision-making
Fiscal 2022 Strategy	<ul style="list-style-type: none"> Divide Asia into two regions, establish the position of regional executive officer / chief executive representative; appoint an employee who is from India and conversant with local conditions as the executive officer responsible for the South Asia–Middle East region Use India as the model for building new collaborative capabilities between the Head Office and regional sales organizations (→page 21) Laterally introduce initiatives from India to other target countries Formulate and advance a Regional Strategy in Japan, focusing particular efforts on fields where there are overlaps with the Environmental Strategy Appropriately adapt to changes in the Russia–Ukraine situation 	

Examples of Initiatives

India Model: Supporting the Regional Strategy

Coordination among the regional executive officer, chief country representatives, and the Corporate Marketing Division

In 2015, with the aim of accurately catering to customer needs, at four bases worldwide we established chief executive representatives who oversee regions. Since then, we have been strengthening Groupwide intra-regional collaboration. In 2016, we introduced chief country / regional representatives to countries where we wanted to concentrate sales efforts and then began offering comprehensive transport solutions that reflected the circumstances in each country and region. Also, in fiscal 2021 we appointed chief country representatives in the United States, Russia, the Netherlands, and Kenya.

In addition, in order to support the development of new businesses in each region, through the "lead sprints" system, we encourage the use of not only the existing customer networks of the Head Office sales divisions but also the newly established networks that have been built by the chief executive representatives and chief country / regional representatives. In this way, we support the multifaceted search for potential opportunities that match the Regional Strategy outlined in Rolling Plan 2021 and Rolling Plan 2022.

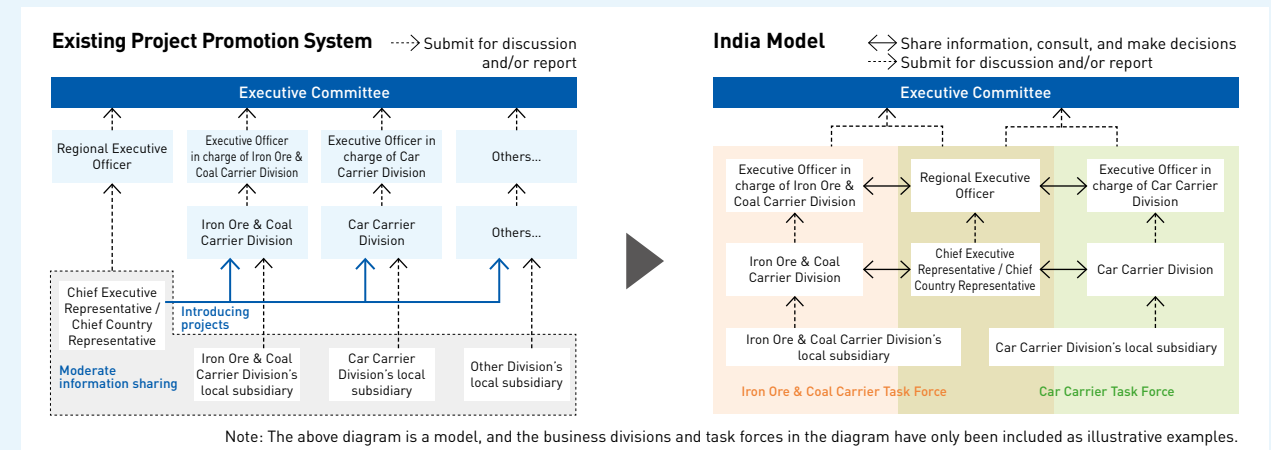
In Rolling Plan 2021, the Regional Strategy identified Asia as the Group's highest priority region. Accordingly, placing particular emphasis on developing businesses in India, we won new contracts for VLCCs and LPG carriers for Indian

customers. These achievements are an example of realizing new business by discovering customer needs through the initiative of a local office and by providing support from a Head Office sales division.

Under Rolling Plan 2022, we have further strengthened such efforts by introducing a system whereby the Head Office and the regional base work in tandem to advance respective businesses in India. For each business, a joint task force is established by the Head Office sales divisions and the regional executive officer / chief executive representative of South Asia and the Middle East region.

Until now, each Head Office sales division has had its own overseas bases and conducted sales and business activities on a divisional basis. In India, however, the provision of information on each business in the country is focused on the regional executive officer / chief executive representative, who leads the Regional Strategy from a cross-business viewpoint. This "India model" is an experimental initiative for us. Through a process of trial and error, we will create better systems that suit both sales divisions and regional bases.

If the India model proves successful, we plan to introduce it to other priority countries and regions.



The function of regional lines (regional executive officers / chief executive representatives / chief country representatives) in the promotion of projects was limited to referrals to respective sales divisions. The prioritization of projects was also left to the discretion of the sales divisions.

"Lead Sprints" System

One of the key measures of the Regional Strategy initiated by Rolling Plan 2021, the "lead sprints" system began operating as a forum for accelerating discussions on the direction of potential new projects. Separated from the existing bottom-up decision-making process that begins from the Head Office business divisions, the "lead sprints" system allows the senior management team to monitor projects soon after they have begun deliberations and check the direction of initiatives. Our aim is to enable regional executives—namely, regional executive officers / chief executive representatives and chief country representatives—to unerringly secure promising projects that

are in line with management policies, even in a rapidly changing business environment. For respective projects, regional lines (regional executive officers / chief executive representatives / chief country representatives) form task forces with respective sales divisions and related local subsidiaries, and projects are advanced jointly. Decisions to recommend projects are made under the leadership of the regional executive officer based on a Groupwide perspective.

are in line with management policies, even in a rapidly changing business environment.

In the first half of fiscal 2022, the executive officers, chief executive representatives, and chief country representatives in charge of North America, Europe and Africa, and Asia discussed 40 potential target projects that were considered promising by the officers and representatives in charge of each region from a Companywide perspective. The CEO and other members of the senior management team then joined the discussions and narrowed down the projects, selecting a list of 10 projects on which resource investment will focus.

Enhancement of Organizational Strength, Work-Style Reforms, and Safety

→ Enhancement of Organizational Strength: Launch of a Human Resource Plan

Rolling Plan 2022 calls on MOL to establish a new human resource plan. As one of the pillars of the Company's next management plan, the new human resource plan will indicate the basic strategies for measures aimed at strengthening the Group's human resource base from a medium- to long-term perspective.

We have already taken some human resource measures. In fiscal 2021, we reassigned 66 personnel to business fields such as the low-carbon and decarbonization fields, which are priority investment targets. Also, we increased the hiring of technical personnel and other experienced personnel, recruiting 24 personnel in fiscal 2021.

As for fiscal 2022, we are hiring more personnel to manage proactive investment initiatives. In particular, we have revised the frequency of our mid-career hiring, and began recruiting experienced personnel year-round from fiscal 2022.

In the April 2022 reassignment of senior management team members, three non-Head Office personnel were appointed as division general managers. One of these general managers is a non-Japanese employee from a MOL Group company who has been appointed to head the Global Maritime

Resources Division. This newly established division plans human resource policies for the worldwide recruitment of sea-based employees, who fulfill a fundamental role in the Group's businesses by ensuring safe operation.

With a view to clarifying the wide range of needs in relation to human resource policy and formulating a new human resource plan, the Chief Human Resource Officer—a position that was created in April 2022—has been holding discussions with domestic Group companies and the Head Office sales divisions. Going forward, we will incorporate into the human resource plan the appointment and promotion of personnel in accordance with the principle of the right person for the right job, including employees working at Group companies and in overseas businesses. Other focuses of the plan will be the strengthening of support for career development so that employees can fully realize their potential and the provision of work-style options that cater to employees' diverse needs.

By increasing its appeal to talented personnel and increasing their engagement, the Group will achieve enhancement of organizational strength.

→ Work-Style Reform

For details on work-style reform initiatives, please see "Work-Style Reforms Maximizing Job Satisfaction, Employee-Friendliness, and Group Performance" (→page 51).

→ Safety

For details on safety initiatives, please see "Safety Levels" (→pages 43 to 44) and "Initiatives in Partnership with Chartered Vessel Owners" (→page 77).

	Basic Strategies and Organizational Changes	Specific Initiatives
Fiscal 2021 Achievements	<ul style="list-style-type: none"> Established and promoted MOL CHARTS Established a diverse new management team* and created Group executive officer positions to strengthen Group management 	<ul style="list-style-type: none"> Commercialized three projects that were proposed using the MOL Group Employee Proposal System Continued in-house activities led by the WAKASHIO Accident Preventive Measure Task Force
Fiscal 2022 Strategy	<ul style="list-style-type: none"> Continue work-style reforms (promote telecommuting while preparing plans for office renovations based on a reevaluation of office work) Add numerical targets to realize further diversity in the organization Revise the entire Group's medium- to long-term target profile as an organization and based on this establish a new human resource plan Begin preparing a crew member training plan in anticipation of more vessels managed or assigned crew members by the Group Conduct a Groupwide reform of initiatives for chartered vessel shipowners 	

* Appointed one non-Japanese executive officer and one non-Japanese general manager and increased the number of female general managers (including an associate executive officer) at the Head Office from one to three

Digital Transformation (DX)

→ DX Vision Workshop

In the second half of fiscal 2022, we plan to announce the MOL DX Vision, which will establish a framework for our long-term DX strategy. To lay the foundations for this vision, in June 2022 we held a two-day workshop attended by 40 participants, including Executive Committee members up to the rank of CEO, and selected members from each division, the DX Co-Creation Unit, and external partners. We began by discussing the MOL Group's long-term target profile based on the future vision of the Company and the industry. Backcasting from this profile, we then determined what is required of DX and prepared a draft of the MOL DX Vision accordingly. After conducting additional in-depth discussions that involve a wide range of employees, we will formulate a final version of the vision, which will guide the advancement

of DX. Based on the new vision, the Group will step up the pace of existing DX initiatives.



A workshop tasked with preparing the MOL DX Vision

DX of Business Strategies	<ul style="list-style-type: none"> Cater to customer needs by upgrading the data management of initiatives that are realizing the Portfolio, Environmental, and Regional strategies
DX of Work Styles	<ul style="list-style-type: none"> Consolidate and make freely available information dispersed throughout the Group and further standardize and automate operations to improve productivity
DX of Organizations	<ul style="list-style-type: none"> Further develop and deploy DX talent Improve service quality and cost competitiveness through the consolidation of organizations by function

Corporate Governance

In conjunction with the initiatives focused on the Sustainability Issue of "Governance and Compliance to Support Businesses," the MOL Group will continue tackling the enhancement of governance as a priority management task (→pages 58 to 77).

	Basic Strategies and Organizational Changes	Specific Initiatives
Fiscal 2021 Achievements	<ul style="list-style-type: none"> Established and convened four meetings of the Corporate Governance Council Revised the executive director remuneration system 	<ul style="list-style-type: none"> Established the Crisis Control Headquarters to implement crisis countermeasures Submitted a report pursuant to Japan's revised Corporate Governance Code Implemented tender offers to resolve the issue of parent-subsidary listings
Fiscal 2022 Strategy	<ul style="list-style-type: none"> Revise our Corporate Governance Policy Review the Groupwide risk management framework and establish a system that responds to increasing country risks more appropriately 	<ul style="list-style-type: none"> Continue risk mapping Introduce and utilize a risk assessment system

A Message from the CFO



We are committed to improving both our financial position and making the necessary investments for environmental initiatives and growth.

Hisashi Umemura
Managing Executive Officer
Chief Financial Officer (CFO)

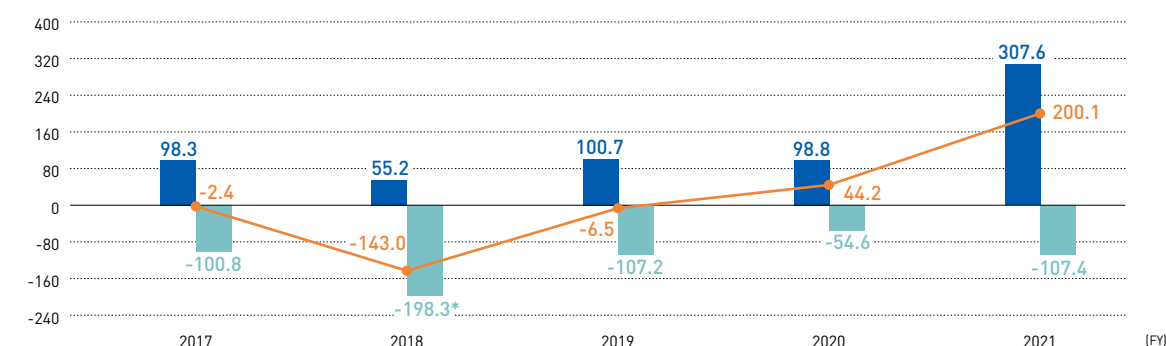
» Fiscal 2021 Review

In fiscal 2021, ended March 31, 2022, MOL broke its net income record for the first time since fiscal 2007 by posting profit attributable to owners of parent of ¥708.8 billion. This performance was supported by high containership freight rates, a good dry bulker market particularly on small- and medium-sized vessels, and a recovery in car carrier cargo volume. These market conditions were brought about the global disruption to supply chains triggered by the COVID-19 pandemic. While we are not happy about this situation, in fiscal 2021 we achieved the financial targets that we had been pursuing since the introduction of the Rolling Plan in fiscal 2017. These achievements included significant improvement in the equity ratio from 27.6% at the end of fiscal 2020 to 47.4%; the regaining of an "A" crediting rating from R&I; and a net gearing ratio below 1.0 time.

Fiscal 2021 was also a year in which we used operating cash flows of more than ¥300.0 billion, which included dividends from the containership operating company Ocean Network Express Pte. Ltd. (ONE), to implement a range of forward-looking investments in line with the strategies of our management plan. We initiated tender offers for DAIBIRU CORPORATION and Utoc Corporation with the aim of making them wholly owned subsidiaries and invested in LNG carriers for which new contracts had been concluded. With respect to shareholder returns, we were able to reward shareholders for their long-standing support by paying a dividend of ¥1,200.00 per share (before the stock split).

Cash Flows

(¥ billion)



* Includes investment in establishment of ONE

» Investment Policy and Cash Allocation from Fiscal 2022 Onward

With the dramatic improvement in our financial position, as CFO I am very much aware of the significant responsibility I bear in regard to the effective utilization of accumulated shareholders' equity to further enhance corporate value. Themed on "Integrating the MOL Group's strengths to achieve growth globally," Rolling Plan 2022 calls for corporate value enhancement through the investment of ¥1.9 trillion between fiscal 2022 and fiscal 2027 in order to increase future corporate value. Through these investments, we will work to facilitate the stable achievement of ordinary profit of ¥200.0 billion and return on equity (ROE) of 10.0%, which is above our perceived cost of capital. Moreover, the investments will curb the volatility that characterizes marine transport, which stems from exposure to cyclical market conditions.

Specifically, we will invest in three main areas: the introduction of vessels that use alternative fuels; the expansion of low- and zero-emission energy businesses; and the expansion of business range and assets including M&As. In all of these areas, we are advancing many projects that are either industry leading or one step beyond the existing business domain of our full-line marine transport. As they have been selected with an eye on leveraging accumulated expertise and experience as well as relationships with major partners, these projects will provide significant opportunities for us to elevate corporate value. On the other hand, given that such projects are in fields characterized by high levels of difficulty and uncertainty compared with our well-established businesses in conventional marine transport and that we are tackling more projects in India, Southeast Asia, and other emerging

countries and regions, we must ensure that our financial base will hold firm even if certain risk events actualize.

Conducting business management with an emphasis on financial discipline, for the time being we will set an upper limit of 1.0 time for the net gearing ratio, a level that was once our target. In addition, vessels chartered from shipowners, whose main business is the ownership of vessels, are integral to marine transport. For this reason, roughly 500 of the approximately 800 vessels in our fleet are chartered vessels. Pursuant with Japan's accounting standards, most chartered vessels are not recognized in our balance sheet. Nonetheless, with the aim of further increasing transparency from the viewpoint of investors, we will take medium-term measures to improve disclosure methods and other matters related to such chartered vessels.

As for investment criteria, we employ a system that uses past market performance as the basis for forecasting the maximum potential loss for each project. With respect to an investment amount, cost of equity is applied to the maximum potential loss amount, and cost of debt is applied to the remaining amount (→page 27). The system prevents the Company as a whole from taking on too much risk while ensuring each investment project has a certain spread over the assumed amounts of equity and debt. Further, even with respect to chartered vessels for which the balance sheet is not actually used, the system employs the same approach to apply an appropriate cost of capital to investments. By accumulating assets in accordance with this system, we ensure returns commensurate with the cost of capital.

	(¥ billion)		
	FY2022-FY2024 Forecast	FY2025-FY2027 Forecast	FY2022-FY2027 Cumulative Total
Total Investment	1,000	930	1,930
Environmental investment	530	—	—
Of which, introduction of vessels that use alternative fuels	335	—	—
Of which, expansion of low- and zero-emission energy businesses	195	—	—
Business expansion, asset expansion, and M&As	470	—	—
Asset Disposal and Liquidation	-120	-180	-300
Cash Flows from Investing Activities	880	750	1,630
Cash Flows from Operating Activities	820	750	1,570
Free Cash Flow	-60	0	-60
Financial Target	[Times]		
Net Gearing Ratio (at end of respective periods)	0.8	<1.0	—

➤ Approach to Shareholder Returns

As one of the world's leading providers of marine transport and social infrastructure, we give first priority to the creation of additional economic and social value through the active reinvestment of internal reserves. On the other hand, rewarding shareholders directly through dividends and other means is also important. Our profit plan issued at the beginning of fiscal 2022 includes a dividend forecast based on a dividend payout ratio of 25.0%. While some investors have expressed appreciation of a raised dividend payout ratio when profits are expected to remain at fiscal 2021's high level, others have expressed dissatisfaction because, despite an improved financial position, the Company has yet to reach the average dividend payout ratio of the Tokyo Stock Exchange's Prime Market. In our view, we have entered a new phase. Although

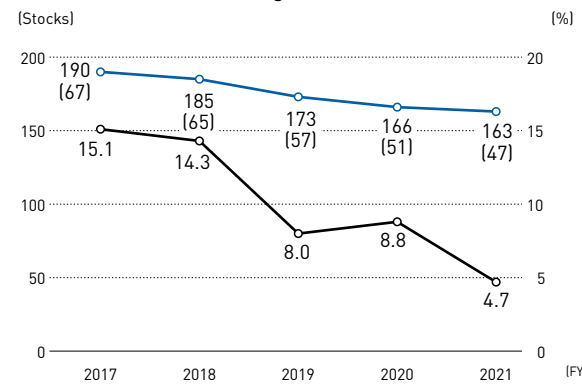
the overall direction of business management has been established, we aim to spend fiscal 2022 preparing a new management plan that looks ahead to 2035. To this end, we will continue heightening the accuracy of our analysis of the long-term business environment in light of decarbonization trends and the increasingly complex current international situation. Based on our conclusions, we will conduct a more-detailed examination of individual investment projects and the outlook for capital requirements. Therefore, we would be extremely grateful for a little more time to discuss shareholder returns so that we can present a cohesive policy in this regard.

In closing, I would like to ask our shareholders, investors, and financial institutions for their continued support.

Approach to Cross-Shareholdings

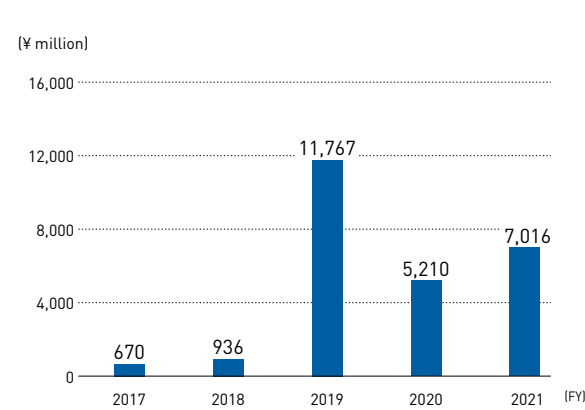
MOL holds shares in other companies for the purpose of maintaining and strengthening relationships with companies with which it has close cooperative business relationships and for the purpose of enhancing the growth and corporate value of the Company over the medium to long term. Once a year, a detailed examination of each listed stock held by the Company is conducted with respect to the appropriateness of the reason for holding the shares and profitability in light of the cost of capital. If an adequate reason for holding the shares cannot be identified, the Company's policy is to gradually reduce the holdings of said shares. The fiscal 2022 examination of 47 stocks, equivalent to approximately ¥56.0 billion, which were owned by the Company as of March 31, 2022, determined that a portion equivalent to approximately ¥8.0 billion was to be subject to reduction. The Company will proceed with the disposal of the shares while ascertaining the effect on the market and giving due consideration to relationships with other parties.

Cross-Shareholdings: Number and as a Percentage of Net Assets



◆ Number of stocks held (number of listed stocks in parentheses) (left)
 ● Cross-shareholdings as percentage of net assets (right)
 Note: Deemed shareholdings not included from fiscal 2019 onward

Disposal of Cross-Shareholdings by Fiscal Year



Risk Management for Business Investments

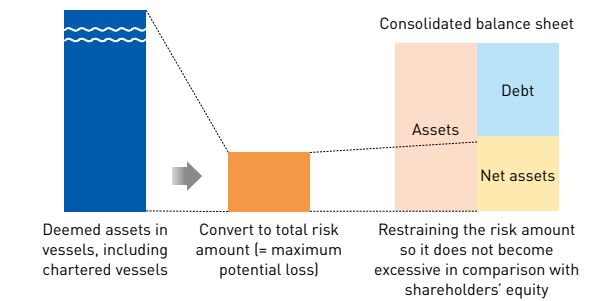
In fiscal 2014, we introduced a management approach that we now call Asset Risk Control but which until recently we referred to as Total Risk Control. Based on this approach, we have avoided excessive investment while accumulating investment projects that promise to generate returns commensurate with the cost of capital.

1 Framework of Asset Risk Control

Asset Risk Control is a marine transport industry adaptation of the risk management methods widely used by financial institutions. Scenarios that envision stresses (low freight rates, weak vessel sales & purchase market) are applied to the entire fleet at the same time and run for a certain length of time to calculate maximum potential losses. The risks are managed so that the total loss is not excessive compared with shareholders' equity. Basically, this identifies the total exposure to risk taken based on the standard criteria that all debt can be repaid if all owned vessels were to be sold. Under this framework, a Capesize bulker will be assessed as having low risk exposure if it has a long-term contract or a low book value (if owned) or charter rate (if chartered). Conversely, the same Capesize bulker will be assessed as having high risk exposure if it is subject to a short-term market or a high book value (if owned) or charter rate (if chartered). Additionally, we take into account the dispersion effect where the freight and charter market for each kind of ship fluctuate at different times. Companywide risk exposure is calculated once

every six months, and the results are compared with shareholders' equity, reported to the Board of Directors, and audited. When Asset Risk Control was first introduced, the framework was simple and mainly covered marine transport market risk and vessel sales market risk. Subsequent revisions have broadened the scope of the framework to include country risk, customer credit risk, and Group company business risk, for a more appropriate measurement of risk exposure.

Asset Risk Control

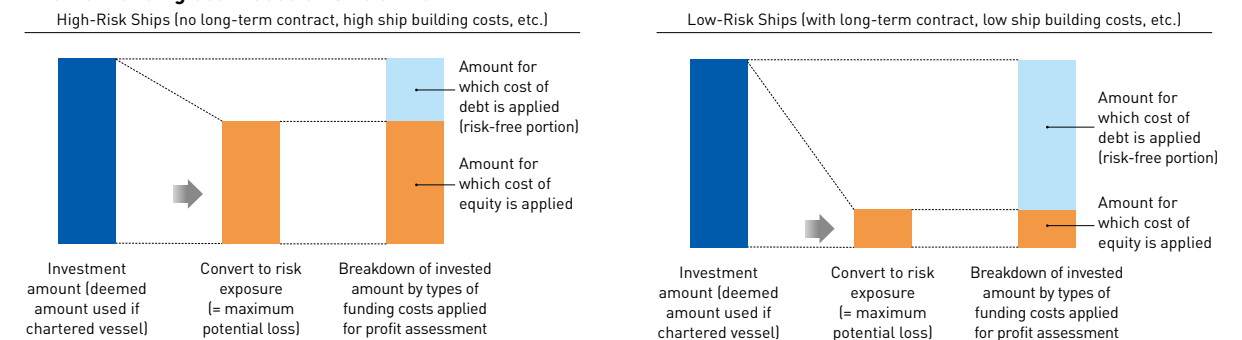


2 Asset Risk Control and Consistent Standards for New Investment Decisions

When Asset Risk Control was first introduced, the lack of direct linkage between the system and the profitability benchmarks that the Company uses to make new investment decisions was an issue. Through subsequent revisions, the framework has been improved so that the funding costs in profitability assessments vary depending on the size of risk exposure, which is calculated based on the current concepts of the Asset Risk Control system. In other words, internal evaluations of ship investment projects now take into consideration the maximum potential loss in line with the amount of risk associated with the ship and apply equity cost for this portion, while debt cost is applied in the risk-free portion. In this way, the higher the risk associated with a ship, the higher the funding cost associated with it, and the investment is not approved unless profitability is sufficiently high to compensate for this risk. Based on this

approach, investment projects that consume a large amount of Companywide investment leeway (remaining amount of risks that can be added) naturally face high hurdle rates, and projects that require fewer resources face lower hurdles to approval. The framework ultimately leads to an overall portfolio that balances risks against returns. Further, the framework helps secure a certain level of ROE by only adopting individual investment projects with a certain spread over the specific weighted average cost of capital based on a deemed ratio of equity cost to debt cost. In addition, as the rapid accumulation of shareholders' equity accompanying a favorable fiscal 2021 performance has resulted in additional scope for the assumption of risk, the Company will aggressively pursue investment projects that contribute to growth.

Internal Funding Cost Based on Size of Risk

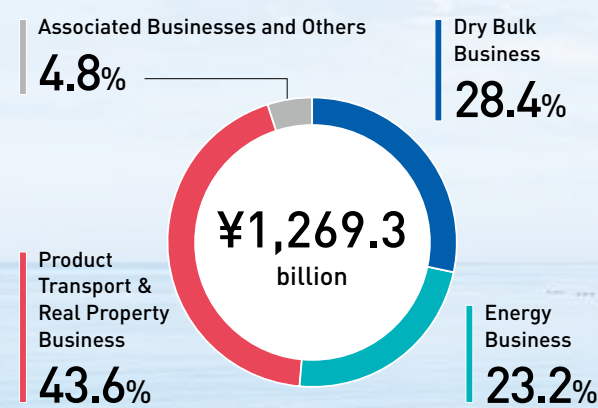


Business Overview

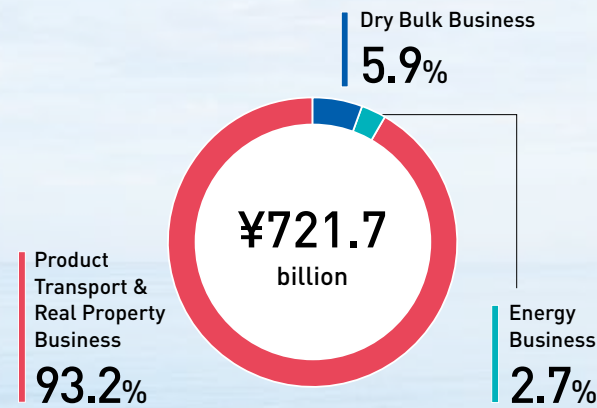
Business Headquarters Breakdown

Dry Bulk Business <small>Page 30</small>	<ul style="list-style-type: none"> Dry Bulk Business (Iron ore and coal carriers, Small and medium-sized bulkers, Wood chip carriers, Multipurpose cargo ships)
Energy Business <small>Page 32</small>	<ul style="list-style-type: none"> Tanker Business (Crude oil tankers, Product tankers, Chemical tankers, Methanol tankers, Ammonia tankers, LPG tankers) LNG Carrier Business Offshore Businesses Steaming Coal Carrier Business Carbon Business
Product Transport & Real Property Business <small>Page 34</small>	<ul style="list-style-type: none"> Car Carrier Business Ferries and Coastal RoRo Ship Business Containership Business Terminal Business Logistics Business Real Property Business
Associated Businesses	<ul style="list-style-type: none"> Cruise Ship Business Trading Business Tugboat Business etc.
Others and Head Office	<ul style="list-style-type: none"> Clean Energy Business (Ocean thermal energy conversion business, Wave power generation business, Tidal power generation business) etc.

Breakdown of Fiscal 2021 Revenues by Business Headquarters*1

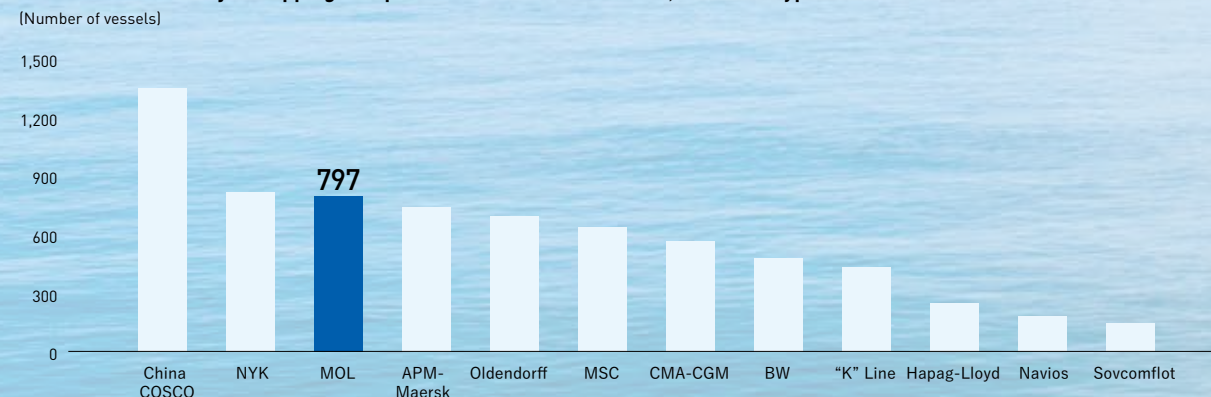


Breakdown of Fiscal 2021 Operating Profit by Business Headquarters*1



*1 Figures have been converted to reflect business headquarters as of fiscal 2022.

Fleet Sizes of the Major Shipping Companies*2 (Numbers of vessels, all vessel types)



*2 Prepared by MOL based on information disclosed by respective companies

Our Business Fields

Marine Transport Business

Comprising dry bulkers, tankers, LNG carriers, car carriers, containerships, and other types of vessels, MOL's fleet is one of the largest in the world. We provide stable and high-quality marine transport services worldwide for resources, intermediate goods, finished products, and many other types of cargo by utilizing extensive experience and expertise acquired over more than 130 years.

Offshore Businesses

Leveraging experience garnered in the energy transport field, we are concentrating investment on not only conventional marine transport but also offshore businesses with strong growth potential, including FPSOs, FSRUs, and Powerships. MOL will extend its business fields and play additional roles in energy value chains and help meet the world's demand for energy.

Logistics Business

Our network of 229 bases in 27 countries and regions around the world provides a varied menu of services catering to many different logistics needs. We offer marine, air, and land transport that includes customs clearance, inspection, and warehouse management as well consolidated transport and heavy goods transport.

Terminal Business

In Japan, MOL has a comprehensive terminal business. As well as operating container terminals at the country's five major ports—Tokyo, Yokohama, Nagoya, Osaka, and Kobe—we provide stevedore services for car carriers and other cargo vessels nationwide. Overseas, we also operate seven container terminals in the United States, Vietnam, Thailand, and the Netherlands.

Real Property Business

With DAIBIRU CORPORATION at its core, this business manages numerous premium office buildings, mainly in Tokyo and Osaka. In addition, by combining expertise accumulated domestically with the Group's resources, the business is developing projects overseas and has launched forays into the markets of Vietnam and Australia. As its characteristics and market cycles differ from those of marine transport business, the business curbs volatility in the Group's performance and stabilizes earnings.

Offshore Wind Power Generation-Related Businesses

We are fostering and moving forward with these projects to create future earnings mainstays. The Group will draw on the expertise and resources it has acquired during many years of operating marine transport and offshore businesses to not only establish an offshore wind power generation business but also develop a wide range of upstream and downstream peripheral businesses engaged in such areas as the transport of equipment and material, installation, maintenance, and power-cable laying.

Clean Energy Businesses

The Group will contribute to the reduction of society's overall GHG emissions by developing mainly ocean-related power generation projects, such as wave power, tidal power, and ocean thermal energy conversion (OTEC) generation. Moreover, we are developing and conserving mangrove forests to create negative emission sources. (→pages 38 and 45)

Dry Bulk Business

Fiscal 2021 Achievements

- Increased profits by capturing shipping market due to strong demand in major economies as they recovered from the effect of the COVID-19 pandemic, particularly in China
- Worked with customers to advance biomass transport and other environment-related businesses and to advance initiatives for the decarbonization and carbon reduction of dry bulkers, which included the introduction of LNG fuel, the Wind Challenger hard sail system, and Rotor Sail
- Established capabilities for providing customers with one-stop solutions for a wide variety of vessel types and transport through the launch of MOL Drybulk Ltd. in April 2021



Position and Main Differentiating Factors

- Across a broad customer base, the capture of new transport demand resulting from changes in industrial structures accompanying decarbonization
- Mobilization of comprehensive expertise and experience to consider, offer, and implement transport solutions encompassing commercial, operational, technical, and legal requirements
- Proactive business development in growth regions and fields

Market Environment Analysis

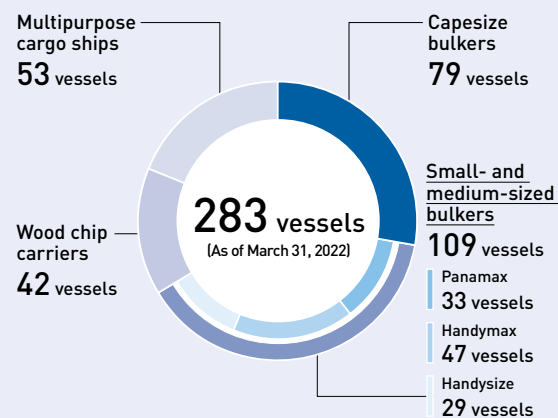
- | Opportunities |
|--|
| <ul style="list-style-type: none"> • Growing demand for transport modes that help reduce GHG emissions • Steady cargo movements in Asia, centered on China and Southeast Asia in the east and extending to India in the west; decarbonization and electrification (biomass and nonferrous raw materials); infrastructure (steel products and cement); food; and raw materials for paper manufacturing • As a result of the disruption in marine logistics, increasing preference for shipping companies that have the ability to stably supply multipurpose cargo ships • Increasing quality requirements for vessels among major resource-related companies based outside Japan |
| Risks |
| <ul style="list-style-type: none"> • Accelerated inflation, particularly in energy and food prices, the impact of monetary tightening on the real economy, and a resulting decline in cargo movements • Decrease in demand for coal and potential impairment of the value of heavy oil-fueled vessels accompanying a faster-than-expected energy transition |

Business Strategies

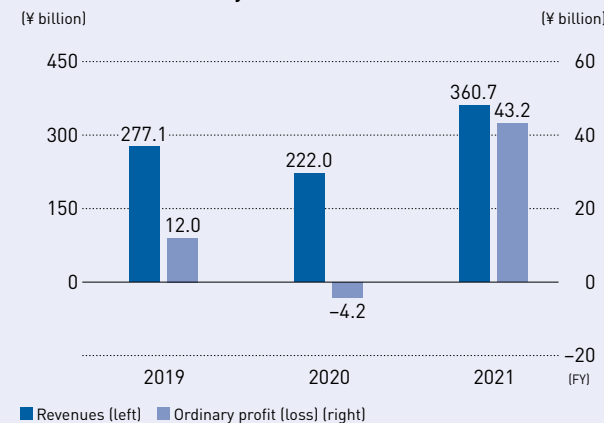
- Position MOL Drybulk at the center of a drive to capture a wide variety of transport demand
- Expand overseas customer base, particularly in Asia
- Advance environmental strategies (introduce LNG-fueled vessels and vessels equipped with the Wind Challenger hard sail system)
- Pursue customer convenience through digitalization
- Cater to diverse transport needs by leveraging comprehensive transport management capabilities
- Rigorously improve vessel quality in line with customer requirements

Highlights

Fleet Breakdown by Vessel Type



Revenues and Ordinary Profit (Loss)



MANAGEMENT MESSAGE

Expanding Businesses by Capitalizing on the Strengths of MOL's Dry Bulk Business

MOL's dry bulk business should utilize its three overall strengths. The first strength is a broad customer base, while the second is comprehensive transport management capabilities. Our comprehensive experience in meeting customer needs has resulted in the development of know-how related to marine transport contracts, operational and technical expertise, knowledge of fleet expansion strategy, and insight that extends from macroeconomic and financial conditions through to the situations of the particular industries to which customers belong. Changes in the customers' business environments will lead to the diversification of demand for marine transport, but the Company will further strengthen its ability to propose solutions that meet customer needs by leveraging accumulated comprehensive transport management capabilities. The third strength is our fleet portfolio. We will make the most of the strength that stems from having a diverse range of vessel types, which is the result of the strategic development of the fleet.

On the other hand, we will carry out fleet development in anticipation of transport demand. Until the early 2010s, we expanded the fleet based on supply-side conditions rather than specific cargo demand. In other words, we assumed that vessel supply-demand would tighten due to the rise of China's economy and the limitations on shipbuilding capacity. By focusing more on the specific and potential demand of customers going forward, we will develop the fleet in line with predictable trends.

Meeting Customers' Decarbonization Needs

Going forward, customers are likely to have an even greater need for decarbonized marine transport. We are catering to this demand in a wide range of ways. For example, we are advancing measures for the introduction of large LNG-fueled vessels. Also, we are installing wind propulsion assistance systems on a variety of vessel types, such as the Wind Challenger hard sail system, Rotor Sail, and Delta Sails that are attached to cargo handling cranes. In addition, we are pursuing the introduction of biofuel and e-methanol fuel, which is not derived from fossil fuels. We will actively propose effective combinations of these measures to our customers.

Capturing Growth in Asia

Transport demand related to food—needed by a growing population—infrastructure, decarbonization, and electrification will continue to rise, especially in Asia. In addition to an Asia-centered regional strategy, the Headquarters of Dry Bulk Business's key strategies will be a trade strategy that efficiently combines this diverse demand and a partner strategy that entails working with customers and other partners who have strengths in their respective fields and regions.

In India, where strong economic growth is expected in the coming years, and in China, where a policy shift to increasing imports of raw materials is expected, we will acquire business by making full use of our existing local expertise and, on occasion, by forming partnerships with local companies.

Although established only a year ago, MOL Drybulk has already become an organization with powerful sales capabilities that is well suited to capturing growth in Asia. We established the company to create a single point of contact capable of dealing with any type of business consultation from customers. Going forward, the company will improve its services even further.

Advancing Initiatives to Improve Vessel Quality

As I mentioned, major overseas customers want extremely high levels of vessel and transport quality. Conversely, the extent to which marine transport providers can meet these expectations has become a differentiating factor. Focusing on both tangible and intangible factors and aiming to heighten quality of vessels—regardless of whether they are owned or chartered—we will embark upon a Groupwide effort that includes collaboration with shipowner partners.

We will cater to a wide range of customer needs based on our comprehensive transport management capabilities.



Toshinobu Shinoda
Senior Managing Executive Officer
Director General of Headquarters of Dry Bulk Business

Energy Business

Fiscal 2021 Achievements

- Accumulated new long-term contracts in the LNG carrier business, which is expected to contribute to profit stability going forward
- Expanded the LPG carrier business, mainly through transport to India
- Tackled initiatives in new areas, such as offshore wind power generation and CCUS



Position and Main Differentiating Factors

- Broad business foundations that include the world's largest LNG carrier fleet as well as the development of related businesses in the value chain that includes FSRUs and Powerships
- Achievement of successes in new fields, such as offshore wind power generation, CCUS, and hydrogen, by utilizing business development and execution capabilities cultivated during a history of taking on many challenging projects
- World-leading levels of safe operation management, which support existing businesses, and frontline capabilities that make it possible

Market Environment Analysis

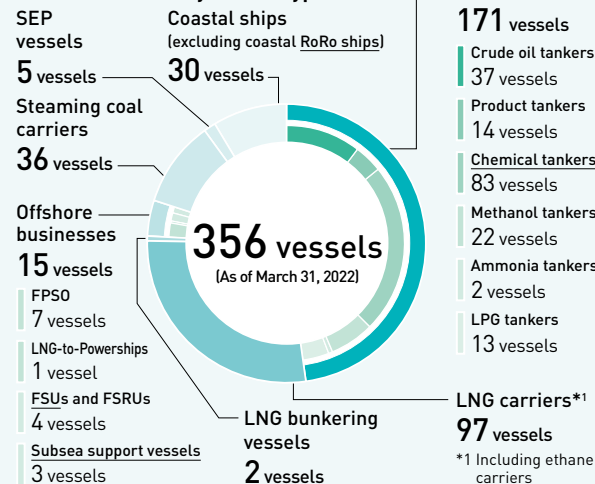
Opportunities
<ul style="list-style-type: none"> Emergence of new business opportunities, such as an increase in new cargoes resulting from energy transformation triggered by decarbonization Emergence of new resource trade due to geopolitical factors
Risks
<ul style="list-style-type: none"> Increase in geopolitical credit risk and the formation of economic blocs Possibility of an end to the mass consumption of energy and a contraction in resource transport over the long term

Business Strategies

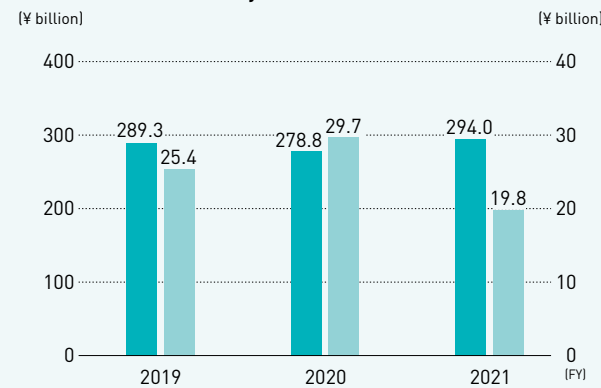
- Capture demand for the transport of LNG, which is becoming increasingly important as a transition energy
- Earn premiums through initiatives in areas beyond conventional transport, such as FPSOs, FSRUs, Powerships, and bunkering vessels
- Expand new businesses and decarbonization businesses, including the transport of clean ammonia, the transport of liquefied CO₂, and wind power generation-related businesses
- Strengthen our presence and business foundations in regions where energy demand is expected to grow, such as India and China

Highlights

Fleet Breakdown by Vessel Type



Revenues*2 and Ordinary Profit



*1 Including ethane carriers
*2 Large parts of LNG carriers and offshore businesses are managed through equity-method affiliates, and the revenues of these parts have not been included in the consolidated revenues above.

MANAGEMENT MESSAGE

Building New Businesses by Capitalizing on Experience Acquired while Tackling Diverse Challenges over Many Years

A distinctive feature of the Headquarters of Energy Business is its high percentage of medium- to long-term contracts. In fiscal 2021, we acquired numerous medium- to long-term contracts mainly related to LNG, demand for which is growing due to its role as a transition energy. For example, we secured contracts in relation to six LNG carriers for China National Offshore Oil Corporation (CNOOC). These contracts promise to contribute stably to profits for more than 10 years after the commencement of the project. Also, in India, which is one of our priority regions, we established local subsidiary Sakura Energy Transport Private Limited in October 2021. With a focus on the LPG carrier business, we will expand the business by venturing into fields to which only an Indian company can gain access, such as the challenging field of coastal river transport. The Headquarters of Energy Business has been identified as the largest growth segment in Rolling Plan 2022. By thoroughly managing the construction of new vessels, training crew members, and ship management after delivery, we will first steadily increase earnings through the contracts we have acquired.

Meanwhile, considering the external environment and the needs of society and customers from a medium- to long-term point of view, the era of the mass consumption and transport of energy is likely to change as a result of trends toward decarbonization and carbon reduction. As well as steadily increasing earnings in the new business fields that are currently emerging, such as offshore wind power generation, the transport of liquefied CO₂, and the transport of clean ammonia, we believe that the potential business opportunities beyond these business fields are countless. In the LNG field, we are already expanding businesses by entering downstream areas of the value chain, including FSRU and Powership businesses, both of which grew out of the LNG carrier business. Similarly, in the field of clean energy we aim to participate in the upstream and downstream areas of value chains and supply chains. Unlike simple marine transport, these businesses require expertise in realizing projects through research on the laws, environmental regulations, and tax systems of each country. Nonetheless, taking on bold initiatives in fields that others have avoided due to inherent difficulties is part of the history and DNA of the Headquarters of Energy Business. Therefore, we will be able to build business models that are unique to us.

New Organization

In April 2022, the Headquarters of Energy Business abolished the traditional separation of operations into departments and introduced a new system based on units. To enable and increase the combinations of existing expertise that are needed when creating new businesses, we are eliminating organizational boundaries and realizing an agile and flexible organization that draws on diverse personnel to form the teams best suited to respective projects. Of course, revamping an organization does not change its nature overnight. With this in mind, I have put myself at the forefront of initiatives to remove organizational barriers.

Businesses in Russia

Since the outbreak of war, we have expressed our concern over the Russia-Ukraine situation and our hope that the efforts underway among all parties concerned for a peaceful solution will come to a conclusion as quickly as possible. Our Russia-related businesses, such as the Sakhalin II Project and the Yamal LNG Project, have been affected by higher war premiums and difficulties in procuring vessel components and assigning Russian crew members. However, the projects in which we are engaged and our charterers (customers) are not subject to sanctions. At this juncture, we believe our responsibility is to continue fulfilling contracts and provide transport services to those in Japan and other countries who depend on energy for their day-to-day lives. As prolongation of the war or a widening of the scope of sanctions could change the situation, we will pay close attention to developments.

We will capture new trends in energy to realize long-term growth.



Kenta Matsuzaka
Director, Senior Managing Executive Officer
Director General of Headquarters of Energy Business

Product Transport & Real Property Business



Fiscal 2021 Achievements

- Recorded a significant rise in profits from the containership business due to favorable market driven by growth in transport demand accompanying increased global consumption of goods
- Saw a rapid improvement in the business performance of the car carrier business thanks to a recovery in demand for the production and marine transport of automobiles, which had been lackluster due to the COVID-19 pandemic
- Accumulated robust profits in the terminal & logistics and real property businesses

Position and Main Differentiating Factors

- Ongoing investment in vessels with excellent environmental performance
- Containership business portfolio centered on highly profitable trans-Pacific routes
- Pursuit of synergy benefits based on a diverse group of businesses that includes containerships, terminals, logistics, ferries, car carriers, and real estate

Market Environment Analysis

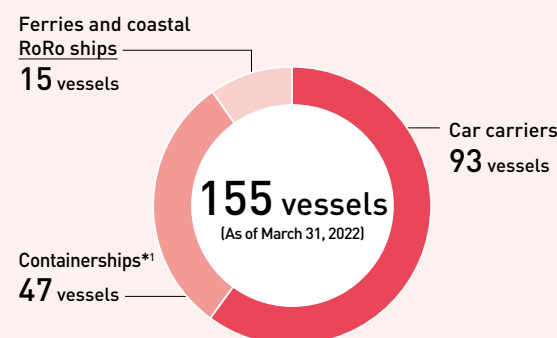
Opportunities
<ul style="list-style-type: none"> Increase in product transport demand accompanying a growing world population Normalization of product manufacturing due to recovery from the COVID-19 pandemic, as typified by automobiles Positive effect on the global economy and product demand as a result of the enhanced purchasing power of resource-rich countries
Risks
<ul style="list-style-type: none"> Decline in cargo movements due to prolongation of the Russia-Ukraine situation Global economic slowdown caused by inflation and soaring resource prices Formation of economic blocs as a result of an increase in the local manufacturing of products for local consumption

Business Strategies

- Accelerate measures to reduce the environmental impact of transport, such as the steady replacement of the existing fleet with LNG-fueled vessels
- Adjust ship allocation and rebuild services to cater to changes in the car seaborne trade
- Capture the logistics demand of the customers of other business headquarters
- Utilize DX to enhance customer services and operational efficiency

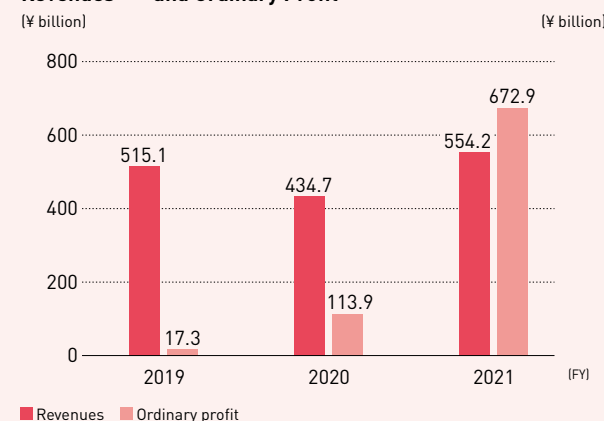
Highlights

Fleet Breakdown by Vessel Type



*1 All containerships are chartered to and operated by ONE.

Revenues*2*3 and Ordinary Profit*3



*2 ONE, which is responsible for the management of the containership business, is an equity-method affiliate. Therefore, the revenues of ONE have not been included above.

*3 Figures have been converted to reflect business headquarters as of fiscal 2022.

MANAGEMENT MESSAGE

Supported by Market Conditions and a Recovery in Cargo Movements, Posted Unprecedented Profits in Fiscal 2021, Mainly in the Containership Business

Throughout fiscal 2021, the strong demand in the containership market of the previous fiscal year continued. As a result, equity in earnings of affiliates from Ocean Network Express Pte. Ltd. (ONE), which operates the containership business, drove MOL's profits above their previous record high, achieved during a boom in marine transport in the mid-2000s. As for fiscal 2022, due to an economic downturn caused by global inflation and other factors, we forecast that the containership market will enter an adjustment phase in the middle of the fiscal year.

The car carrier business also recovered strongly. The direct cause of this recovery was a tightening of the market due to fleet size reductions implemented by MOL and other shipping companies until fiscal 2021 and a subsequent recovery in transport demand. However, the base level of profits was also raised by the progress of a regional strategy in China and India, various structural reforms, and improvements in the efficiency of ship allocation.

In the ferry business, although the business environment in the passenger sector remained challenging amid the COVID-19 pandemic, demand for freight transport was resilient. Consequently, business results were around the break-even point.

The combination of the aforementioned performances of the containership and car carrier businesses together with solid contributions to profits from the terminal & logistics and real property businesses resulted in the Headquarters of Product Transport & Real Property Business as a whole achieving excellent business results in the fiscal year.

Pursuing Synergies among Businesses by Thinking Outside the Box

Looking to the future from our current position of strength, we face a range of risks and uncertainties. In the short term, potential causes for concern include a slowdown of the global economy, which has achieved a steep recovery since the easing of restrictions associated with the COVID-19 pandemic; an increase in the turmoil resulting from the Russia-Ukraine situation; a sharp depreciation of the yen; and a hike in energy prices. Factors that could have negative long-term impacts are the possibility of surplus shipping capacity due to a rush to build new vessels, higher operating costs stemming from the introduction of the European Union Emissions Trading System and other environmental regulations, concerns about the establishment of a market oligopoly as European shipping companies acquire logistics companies, lower container cargo movements accompanying a decline in demand for goods, and the formation of economic blocs as a result of an increase in the local manufacturing of products for local consumption.

To steadily grow businesses despite such potential adversity, we view "networks" as a key word. Although the Headquarters of Product Transport & Real Property Business has a diverse business portfolio encompassing containerships, terminal & logistics, ferries, car carriers, and real estate, the realization of synergies is, at first glance, often assumed to be difficult. However, by building broad networks, each business will be able to not only expand its services but also interact with other businesses in the division and thereby gain access to customers, tap their demand, and offer them differentiated solutions and services. As for the real property business, which was added to the business headquarters in fiscal 2022 as a consequence of DAIBIRU CORPORATION becoming a wholly owned subsidiary of MOL, we will utilize as foundations the customer trust and advanced capabilities in management and maintenance that DAIBIRU has cultivated over many years while making full use of the MOL Group's networks to identify and develop new areas for growth. For example, we will move forward with initiatives in fields where we have previously not had extensive involvement, including real estate development in emerging countries, particularly Asian countries, and logistics-related real estate.

To effectively utilize networks and realize the ambitious initiatives that I mentioned, we must encourage lively communication within the business headquarters and enable each employee to think outside the box without feeling constrained by organizational frameworks. As director general, my mission is to help build such a culture in the business headquarters.

By leveraging the global networks of its businesses, the business headquarters will unearth new customer demand and deliver services that MOL is uniquely qualified to realize.

Hiroto Ushioku

Senior Managing Executive Officer
Director General of Headquarters of
Product Transport & Real Property Business



Taking on the Challenge of the Overseas Real Property Business through DAIBIRU

In April 2022, MOL completed a tender offer for DAIBIRU CORPORATION, making it a wholly owned subsidiary. By further leveraging its networks and financial base, the MOL Group endeavors to strengthen the real property business—one of the segments of high priority in Rolling Plan 2022—and aims to expand this business in overseas markets with promising growth.

Background photograph: The DAIBIRU-owned Saigon Tower in Ho Chi Minh City, Vietnam



The Story behind Our Overseas Expansion

In 1923, DAIBIRU was established for the joint construction of a new office building by Osaka Shosen Kaisha (O.S.K. Line), which was a predecessor of MOL, and partner companies. DAIBIRU subsequently became the owner and manager of numerous prestigious office buildings, primarily in Osaka and Tokyo. Although its business had been stable for many years, the company began to confront a domestic market that lacked growth potential due to Japan's declining population.

Against this backdrop, in the late 2000s we welcomed a new president from MOL who initiated expansions into overseas markets. The decision was made to ride the wave of economic upswing overseas, since demand for office space closely follows economic growth. At the time, China was leading economic growth, but as many companies had already entered this

market, the company turned its attention to Vietnam. In addition to a range of elements such as growth potential, cultural affinity with Japan, and political stability, the primary factors leading to the decision to launch a business in Vietnam were MOL's local contacts, many years of business experience in the country, and a wealth of local insights.

However, it was also true that there were voices of concern from some DAIBIRU employees, as they had never even thought about overseas business, leaving aside the first destination being Vietnam, a developing country. Back in the days when information was rather limited, Vietnam was an unknown, distant country. I remember how the employee assigned to take charge of the new overseas business described that feeling as a strange mix of hope and anxiety.

Advancing Initiatives in Ho Chi Minh City and Becoming a Successful Overseas Business

In 2007, we began traveling to Vietnam to explore potential projects. Aiming to acquire properties by directly obtaining local information and developing networks, in April 2011 we rented a space in MOL's Ho Chi Minh City office and set up a new representative office staffed by an employee posted from Japan and a locally hired employee. I later took over the position and was put in charge of this fledgling overseas business. Thanks to the support from many different quarters, we acquired our first overseas property, Saigon Tower, from a Hong Kong-based owner in January 2012.

In Japan and overseas, recent years have seen a growing trend toward specialization in the real estate industry. It is common for property owners to outsource external service providers to liaise with tenants and manage properties. The basic approach of DAIBIRU is, in contrast, to utilize its own resources and those of its group companies to handle development, leasing, lease management, property management,

and maintenance in an integrated manner. Whereas many buildings in Vietnam deteriorate significantly soon after completion, the former owner of Saigon Tower, who had a strong attachment to the building, chose to sell it to DAIBIRU largely due to the company's impressive track record of maintaining and improving the quality of properties in Japan through painstaking management.

Of course, replicating the level of management realized in Japan in another country was not easy. We acquired Saigon Tower through acquiring a local company which owned the building. Our relationship with this company revealed significant differences in approaches to cleaning and security between Japan and Vietnam. After weekly meetings with the executives of the local company, we walked together through the building from top to bottom, inspected the cleanliness and condition of each area, and repeatedly communicated the standards that we sought. The cumulative effect of such

minor measures produced positive changes. Gradually, the management standards we were aiming for became widely understood, and the local company began to spontaneously suggest improvements. Today, Saigon Tower is known as one of the best office buildings in Ho Chi Minh City, maintaining a high occupancy rate, and being principally occupied by Western tenants.

In the 10 years since the establishment of our first overseas office, we have entered the real estate markets of Hanoi and Sydney and invested approximately ¥40.0 billion. What began with one or two people in the planning department has become a department of overseas business. As well, the goal of earning 10.0% of our operating profit overseas, which initially seemed a distant prospect, is now within sight. DAIBIRU acquires office buildings in prime locations and then devotes a great deal of time and care to enhance them. I am

extremely happy to have been able to demonstrate that this business model also works overseas.

Recently, there has not only been an increase in our export of practices from Japan but also in the introduction of best practices from overseas to domestic businesses. We are currently in the process of introducing a new elevator management system which has not yet been adopted in Japan to our overseas properties. Further, through contact with local tenants and businesses, the overseas business provides opportunities to experience firsthand and remain abreast of such global trends as environmental measures and efforts to meet the United Nations (UN) Sustainable Development Goals (SDGs). Going forward, we will make more use of experience and insights gained from the overseas business in this way to enhance domestic businesses.

Developing as a MOL Group Member

In the process of entering overseas markets, being a MOL Group company has been a major asset. For companies in Japan that do not have their own networks, establishing footholds in overseas markets is extremely challenging. It requires a great deal of time and effort to, for example, find and engage consultants to take such basic initial steps as grasping understanding of the locality and carrying out inspection tours. In this respect, DAIBIRU has been able to use MOL offices around the world as bases for inspections and information hubs to obtain local information from resident MOL employees. Further, while

the DAIBIRU brand is not yet well known in overseas markets, the company has been able to conduct business negotiations and gather information in various countries by taking advantage of MOL's brand name recognition and connections. The recent conversion into a wholly owned subsidiary of MOL will enable DAIBIRU to further develop overseas businesses by leveraging MOL's brand name and local networks. At the same time, we will benefit MOL's businesses by providing access to information, customers, and business partners that we have acquired locally through the real property business.

Evolving DAIBIRU Even Further

When I joined DAIBIRU about 20 years ago, the possibility of an overseas business was not even considered. I joined DAIBIRU because I wanted to work in Tokyo or Osaka. Never for a moment did I imagine that I would be consistently engaged in an overseas business. DAIBIRU has solid business foundations in Osaka and Tokyo. Accordingly, employees tend to focus on stability, but I feel that the development of the overseas business has gradually changed this in-house culture. Nowadays, some employees even join the company because they want to work overseas. Having as many employees as possible gain overseas experience will make us even more robust as a real estate company.

While continuing to evolve further by combining experience as an office leasing company with its unique position as part of a major shipping group, DAIBIRU will also contribute by playing key roles in the MOL Group's strategies.

Hiroshi Kumada
Managing Director
Daibiru Australia Pty Ltd



275 George Street, Sydney, Australia (the building with a gold exterior cladding in the background on the right)

Participating in the Carbon Business

Since January 2022, the MOL Group has been participating in a blue carbon project that is regenerating and conserving mangrove forests in South Sumatra, Indonesia. Over a period of 30 years, this project aims to remove and store CO₂ by planting mangroves on approximately 9,500 hectares of bare land and prevent the emission by conserving 14,000 hectares of existing mangrove forest, which amount to approximately 11 million tons of CO₂ in total. In accordance with MOL Group Environmental Vision 2.1, we will use a range of means to reduce GHG emissions as much as possible while advancing initiatives that create negative emission sources.



// Find an Intersection of Social, Corporate, and Personal Priorities

When studying for a master of business administration qualification with corporate sponsorship, I mulled over the fields where society's expectations, the Company's business, and my own purpose intersect, and which of those fields promised the greatest synergy benefits. I concluded that a blue carbon project was a promising option. Taking into account the decisive importance of this decade for society in terms of climate change, MOL's strong affinity with the ocean and the highly public nature of the Company's business fields, as well as my desire to help realize a society that coexists with nature, I drafted a proposal and submitted it via the corporate venturing program for suggesting new business ideas. In the process of preparing the proposal, I consulted with personnel at various levels of the Company. I found many coworkers with business acumen who understood that the proposal was not simply a corporate social responsibility initiative but rather an initiative in which social benefits and business overlap. Finding these supporters was a major driver of commercialization. Another source of support has been MOL's corporate culture, which commends personnel who, when confronted with uncertainties, determine how much risk can be assumed and then move forward with courage and self-belief.

Currently, we are advancing the project based on a partnership with YL Forest Co., Ltd., which has a track record of mangrove forest conservation in Indonesia. We were introduced to the company by a mangrove expert who helped us with environmental restoration efforts in Mauritius following the WAKASHIO accident in 2020. Our commitment to meeting social responsibilities has led to our relationship with YL Forest, which is an asset that we value.



An on-site inspection in Indonesia

Blue Carbon

Blue carbon is carbon that is absorbed and stored through the photosynthesis of mangrove forests, salt marshes, and seagrass meadows in coastal waters.



Negative Emissions

"Negative emissions" refers to the removal and storage of CO₂ from the atmosphere and can be divided into two types. Nature-based solutions include forests, blue carbon, and other natural means to increase CO₂ absorption, whereas technology-based solutions use chemical engineering technologies to remove CO₂ from the atmosphere.

// Utilize Our Frontline Capabilities

The project is tasked with restoring approximately 1,000 hectares annually over the coming 10 years. At the same time, the project will conduct ongoing activities to conserve existing mangrove forests. At present, we are holding in-depth meetings with YL Forest in preparation for tree planting. The company's main business was originally timber importing. Since transforming into a forest restoration and conservation business in 2004, however, the company has rapidly established an impressive track record and developed various local networks. Therefore, YL Forest will lead local tree-planting activities. However, we will contribute not only as a sponsor but also in relation to project management and negotiations with certification organizations for the issuance of carbon credits, which is another key component of the project.

Currently, companies from a range of industries are attempting to participate in blue carbon projects. However, many such companies seem to be approaching projects to receive carbon credits in return for investing funds as if they were merely financial transactions. By contrast, as a company with various frontline operations as well as operating bases in countries worldwide including marine transport businesses, MOL intends to participate in the project alongside partners

// Remain Needed by Society

Already looking beyond the blue carbon project, the Carbon Business & Project Team, to which I belong, is exploring new projects. We will draw on knowledge garnered from the project in Indonesia, such as the critical aspects of methodologies used in managing blue carbon projects as well as an understanding of mangroves and afforestation, to accurately identify projects with a strong likelihood of succeeding. In addition, our goal is to conduct not only projects that use nature-based solutions but also projects engaged in the development of negative emission technologies that contribute directly to decarbonization through the removal and storage of CO₂ from the atmosphere.

We truly want to be a company that remains needed by society far into the future. To this end, we will meet our responsibility as a social infrastructure provider by moving forward with initiatives focused on decarbonization—one of the most pressing issues the world faces today—and by leading the way for the marine transport industry and for Japan's private sector as a whole. As the MOL Group forges ahead with such initiatives, I hope our team can perform a useful role.

on the ground. I believe that this commitment was a key factor in YL Forest's decision to accept us as a partner. In the long run, I believe that our approach will differentiate us from other companies.

In parallel with the preparation for tree planting, we are preparing to conduct a social impact assessment. With the help of external experts, we plan to finalize overall evaluation methods and target indicators by the end of 2022. When measuring the value produced by mangrove forests, carbon storage is currently the most readily understandable indicator, but these forests have long been a source of a wider range of social value that includes contribution to biodiversity and disaster prevention benefits. For the time being, we will work together with local communities on restoration and protection of mangroves while utilizing the economic incentives of carbon credits. In the future, we would also like to introduce symbiotic aquafarming to the mangrove forests so that local residents can enjoy tangible benefits from nature. I hope that this project helps create a society where people coexist with and voluntarily take care of mangrove forests based on a renewed appreciation of their value.

Kazura Koda
Carbon Business & Project Team
Energy Business Strategy Division

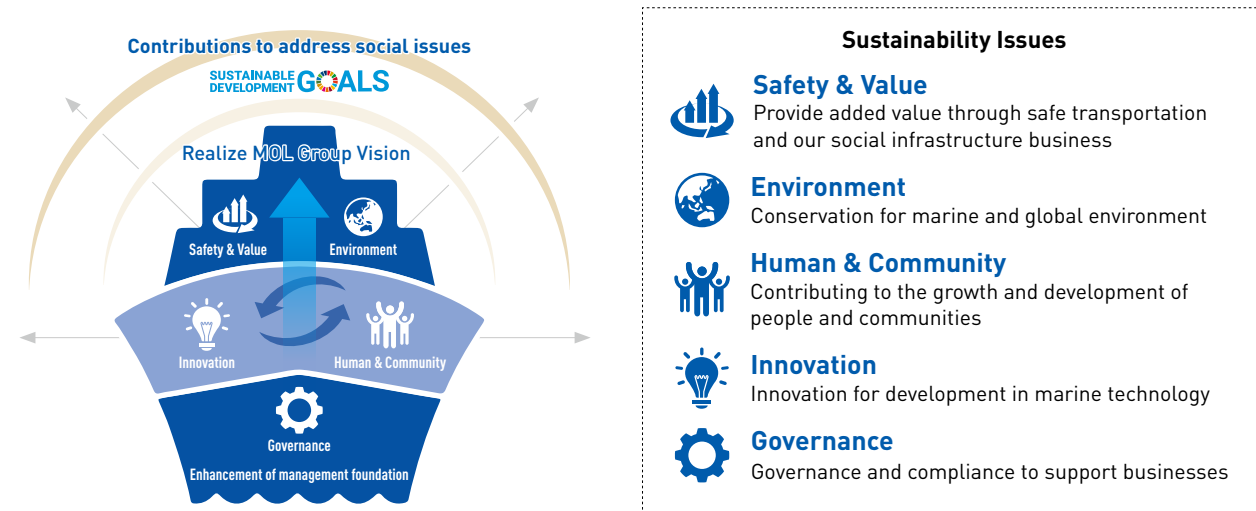


Sustainability Initiatives

Sustainability Issues Overview

We have identified five Sustainability Issues (Materiality), which comprise the social issues our businesses should give priority to addressing. With the ongoing enhancement of Governance as a premise of business management, the Group will tackle the Sustainability Issues of Safety & Value and Environment while enabling reciprocal benefits among initiatives focused on Innovation and Human & Community. By advancing such initiatives, we will realize the MOL Group Vision, thereby enhancing corporate value and helping to build a sustainable society.

Conceptual Diagram of Sustainability Issues



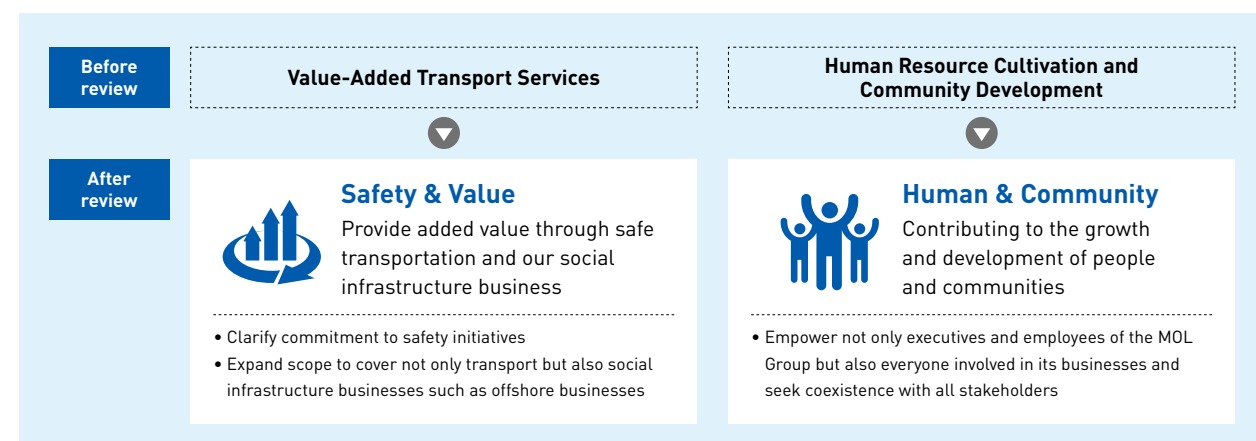
Materiality Identification Process

In fiscal 2019, we initially identified Sustainability Issues (Materiality) by forming an internal team with cross-divisional membership, the Sustainability Promotion Project Team, which analyzed the negative and positive social impacts of our business activities and then categorized the impacts based on their relationships to social issues. In light of this analysis and categorization, we used two axes—impact on society and impact on the MOL Group’s businesses—to condense these social issues into five Sustainability Issues.

Sustainability Issues Revision and MOL Sustainability Plan Formulation

In fiscal 2021, we revised our Sustainability Issues to reflect developments in relation to climate change, human rights issues, and other aspects of the social environment as well as changes in our business environment during the two years since we had first identified Sustainability Issues.

To accelerate initiatives focused on addressing the Sustainability Issues, we established targets, KPIs, and action plans for each issue and formulated the MOL Sustainability Plan in April 2022. We will steadily implement this plan, measure its effectiveness, and make improvements as appropriate.



A Message from the Chief Environment and Sustainability Officer (CESO)

Purpose of the MOL Sustainability Plan

The worldwide trend toward decarbonization has become clearer since the 26th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, which was held in fall 2021. In addition, society is increasingly focusing on biodiversity, human rights, and other matters as pressing issues. The MOL Group has advanced initiatives to achieve respective goals based on the Sustainability Issues (Materiality) identified in fiscal 2019, and the Group needs to accelerate these initiatives even further.

Meanwhile, as CESO I have taken great pains to instill the Sustainability Issues in all employees. I realized that, as the Sustainability Issues are highly abstract, employees grasped the concepts but additional steps were needed to encourage them to take ownership of the issues, incorporate them into daily work, and change behavior. Accordingly, the recently released MOL Sustainability Plan (MSP) makes the Sustainability Issues more concrete, understandable, and easy to put into practice for employees and a range of other stakeholders. In relation to each Sustainability Issue, the plan establishes clear KPIs and action plans. We have also included such design features as the creation of icons for each issue.

In an organization like ours, where employees of various nationalities work in regions worldwide, setting out a clear road map is essential. For example, in the environmental field, the fiscal 2021 announcement of MOL Group Environmental Vision 2.1 ahead of the MSP has boosted the progress of concrete initiatives. We have begun a project tasked with introducing for contracts with U.S. customers dry bulkers that incorporate two environmental technologies: Wind Challenger hard sail system and Rotor Sail. We have also decided to introduce LNG-fueled car carriers. Moreover, the Group has seen the emergence of self-starting efforts to advance environmental strategies. The personnel of our London base have launched Green Circle, an inter-departmental team that is conducting such activities as gathering information from universities and research institutions and exploring involvement in measures aimed at making U.K. ports carbon neutral. As for non-environmental Sustainability Issues, I hope that the KPIs and action plans established when preparing the MSP will provide reference points for employees and encourage them to make positive changes in business activities.

Integration of the MSP and Business Plans to Enhance Corporate Value

With our sights set on advancing the MSP in an even more effective manner, we are considering its integration with respective divisions’ business plans in the new management plan scheduled for release in fiscal 2023. We believe that these integrated plans will enable employees to better understand the connections between their jobs and the Sustainability Issues while advancing business plans vigorously and achieving results. Unlike sales divisions, divisions involved in corporate services, such as human resources and technology, tend to be less able to see the connection between the work at hand and society due to the nature of their operations. I will do my utmost as the CESO to persuasively demonstrate the value of integrating the Sustainability Issues into operations, thereby instilling an understanding of our initiatives among all employees, regardless of their division.

In fiscal 2021, we revised the MOL Group Corporate Mission and the MOL Group Vision, while in fiscal 2022 we have formulated the MSP. In line with new commitments that have resulted, we will improve services and create new businesses while fulfilling social responsibilities. By pursuing this integrated approach to create a cycle of improvement and innovation and by communicating our efforts to society in a clear, readily understandable way, we will heighten both our brand value and corporate value.



Toshiaki Tanaka
Representative Director, Executive Vice President Executive Officer
Chief Environment and Sustainability Officer (CESO)

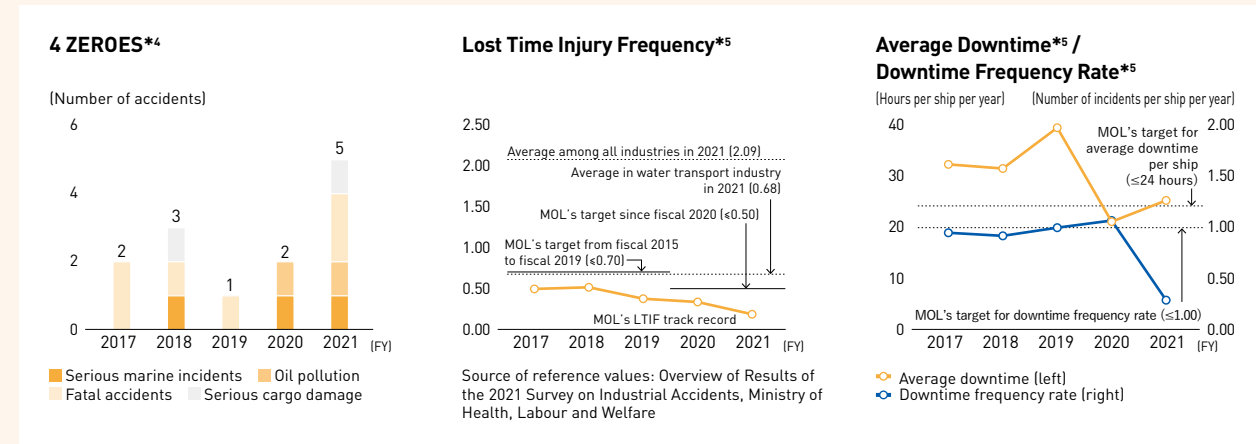
Provide Added Value through Safe Transportation and Our Social Infrastructure Business

MOL aims to promote sustainability and prosperity in people's everyday lives and in industries around the world, by transporting energy, commodities, and finished products safely, reliably, and cost-effectively. The MOL Group continuously aims to expand its social infrastructure business, centered primarily on marine transport.



Initiative Focus	Targets	KPIs	Fiscal 2022 Action Plans
Value through Our Core Business	<p>Provide sustainable value through marine transport and social infrastructure businesses</p> <p>Numerical Targets</p> <p>Achieve fiscal 2027 profit and financial targets set out in Rolling Plan 2022 Ordinary profit: ¥200.0 billion ROE: 9.0%~10.0% Net gearing ratio (times): <1.0</p>	<ul style="list-style-type: none"> Ordinary profit ROE Net gearing ratio Transport volume (ton-mile) 	Implement strategies set forth in Rolling Plan 2022
Safety Levels	<p>Rigorously ensure safe operation and eliminate accidents</p> <p>Numerical Targets</p> <ul style="list-style-type: none"> Achieve 4 ZEROES: <ul style="list-style-type: none"> Zero serious marine incidents Zero serious cargo damage Zero oil pollution Zero fatal accidents Lost time injury frequency*: ≤0.50 Average downtime***: ≤24.00 hours per ship per year Downtime frequency rate***: ≤1.00 incident per ship per year 	<ul style="list-style-type: none"> Number of days with zero serious marine incidents Number of days with zero serious cargo damage Number of days with zero oil pollution Number of days with zero fatal accidents Lost time injury frequency Average downtime Downtime frequency rate 	<p>Implement activities to heighten safety awareness</p> <ul style="list-style-type: none"> Conduct safety events such as Safety Campaign and Safety Conferences and disclose safety level indicators <p>Strengthen ICT-enabled support of safe operation</p> <ul style="list-style-type: none"> Utilize vessel movement monitoring system and FOCUS Project initiatives and reinforce monitoring of weather and navigation risks
Creation of New Added Value	Create services that meet social needs	<ul style="list-style-type: none"> Track record of new services that cater to society's sustainability-related needs Number of projects commercialized through the MOL Incubation Bridge, system for employee-inspired proposals for new businesses 	<p>Steadily promote existing projects and explore new service opportunities</p> <ul style="list-style-type: none"> Advance clean energy transport businesses, employment agency businesses that recruit personnel outside Japan, and blue carbon businesses, etc. <p>Continuously commercializing new businesses proposed by employees</p>

*1 The number of work-related accidents per one million hours worked; the scope of calculation includes any workplace illness or injury that prevents a worker from resuming normal duties or light duties on the day the illness or injury occurs, regardless of whether the illness or injury requires disembarkation.
 *2 The amount of downtime due to mechanical malfunctions or incidents per ship per year
 *3 The number of mechanical malfunctions or incidents that result in downtime per ship per year



*4 Including chartered vessels. If it affects more than one KPI, an accident is counted as one accident under each one of them in this graph.
 *5 Beginning from fiscal 2021, the scope of KPI calculation for safety levels was extended from MOL-owned and managed vessels to cover all operating vessels of the MOL Group, including chartered vessels. Offshore businesses were also newly included.

Value through Our Core Business

For details on initiatives under Rolling Plan 2022, please see pages 12 to 23.
 For details on initiatives in each business headquarters, please see pages 30 to 35.

Safety Levels

Organizational Structure Supporting Safe Operation

The Operational Safety Committee, which is a subordinate organization of the Executive Committee, conducts analysis and deliberations on and ensures the rigorous enforcement of the safe operation of all Group vessels. In addition, the Group has established the position of chief safety officer, who is delegated by the CEO to supervise strategy planning and policy implementation to make sure safety is maintained throughout the MOL Group's businesses and provide necessary advice to the director generals of business headquarters and executive officers. The Headquarters of Safety Operations is responsible for the formulation and implementation of measures related to Groupwide safe operation. In addition, within this headquarters we have established the Global Maritime Resources Division, which is responsible for international policy on crew members and the utilization of non-Japanese marine technical specialists.

Organizational Structure Supporting Safe Operation (Fiscal 2022)

Operational Safety Committee	Headquarters of Safety Operations	
Chair: Chief safety officer, who is the managing executive officer serving as the director general of the Headquarters of Safety Operations Members: Eight executive officers including the CEO Observer: Chairman executive officer	Marine Safety Division Global Maritime Resources Division Marine Technical Management Division Offshore Technical Division Smart Shipping Division	Liquefied Gas Ship Management Strategies Division MOL Ship Management Co., Ltd. MOL LNG Transport Co., Ltd.

Implement Activities to Heighten Safety Awareness

Emergency Response Tabletop Drills

We continuously conduct various drills to ensure that we are ready for and respond appropriately to emergencies and problems. Onboard vessels, we regularly conduct emergency response drills for a range of scenarios, such as fire and flooding. Also, Group companies engaged in ferry and cruise ship businesses give first priority to passenger safety and conduct periodic drills with an emphasis on evacuation guidance.

At the Head Office, executive officers up to and including the rank of CEO, related divisions and departments, and ship management companies annually collaborate in emergency response tabletop drills that simulate a serious marine accident, with the cooperation of authorities and the media. As well as raising safety awareness, the simulation of such accidents verifies the ability of organizations to respond appropriately and communicate information accurately and smoothly.

Safety Campaigns

With the aim of cohesively heightening safety awareness among offshore and onshore employees and thereby further developing our safety culture, we conduct annual safety campaigns in which crew members onboard vessels and onshore officers and employees discuss their opinions on safety. In fiscal 2021, due to the COVID-19 pandemic we conducted a safety campaign that connected vessels and offices through an online format. During the campaign period, approximately 2,300 employees participated, including 693 onshore officers and employees and the crew members of 79 vessels.

With "Overcome rough seas with MOL CHARTS!" as a theme, the fiscal 2021 safety campaign provided opportunities to consider and discuss how best to raise safety awareness in light of the lessons learned from a serious accident that occurred in fiscal 2020. Information and suggestions received from crew members are being widely shared in-house and among vessels and used to further strengthen safe operation capabilities. Also, the campaign increased the safety awareness of onshore officers and employees by enabling them to speak directly with crew members and gain insights into frontline operations.

Launch of SOS CHANNEL Informational Videos for Employees

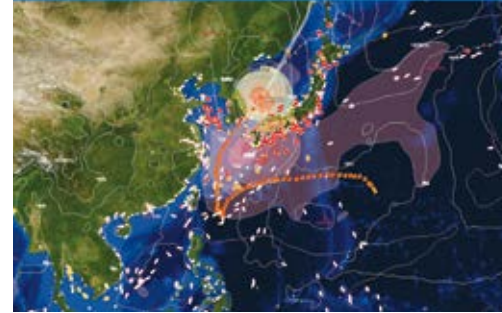
To disseminate a variety of informational videos on safe operation, the Safety Operation Supporting Center (SOSC) (→page 44) used an intranet portal to launch the SOS CHANNEL at the end of March 2021. This in-house channel comprises five-minute videos featuring explanations by officers of fog, typhoons, and other weather and sea conditions as well as waters where care is required with respect to piracy and other risks. The videos also give examples of how risks have been avoided by following the SOSC's advice. As well as providing valuable information on safe operation to many employees, the channel helps make the SOSC more familiar and approachable.

Strengthen ICT-Enabled Support of Safe Operation

Established at the Head Office to monitor and support from shore the safe operation of vessels 24 hours a day, 365 days a year, the Safety Operation Supporting Center (SOSC) realizes its role by combining the expertise and experience of two on-duty personnel—one of whom is a captain—and information obtained from a range of systems and external sources. Based on advances in digital technologies and lessons learned from accidents, the SOSC is upgrading systems and increasing safety even further.

SPiRiT Vessel Movement Monitoring System

Introduced in January 2021, the SPiRiT (Sustainable Platform with Intellectual Resource and Innovative Technology) system enables us to monitor where our approximately 800 vessels are around the world and what kind of weather and sea conditions they are experiencing at any given time. Moreover, while tracking the movements of individual vessels, the system allows us to conduct multifaceted risk assessments by combining information on piracy, military exercises, and a range of other information. In April 2022, the functions of the system were upgraded even further so that it can incorporate the voyage plans of each vessel. The system is used not only by the SOSC but also by vessel operators and other related in-house personnel to provide support to vessels in operation.



Navigation Risk Monitoring System

Developed as a measure to prevent a recurrence of the WAKASHIO grounding accident, which occurred on July 25, 2020, our navigation risk monitoring system began full-scale operation at the end of January 2022. The system constantly monitors many different types of data, including data on vessel positions and water depths as well as information from the Electronic Chart Display and Information System. If vessels are about to enter waters where there is a high risk of grounding, the system alerts the SOSC, which continuously observes this system and, if necessary, initiates measures by telephoning captains directly to alert them.

A Message from the Chief Safety Officer



Mitsuhsa Tanimoto
Managing Executive Officer
Chief Safety Officer
Director General, Headquarters of
Safety Operations

MOL is engaged in a wide range of businesses around the world. The Company operates approximately 800 vessels and offshore plants, and these vessels and plants are of many different types. In addition to established measures for the management of operating vessels' safety and the prevention of accident recurrence, we are further bolstering our ability to manage safety levels by backcasting from target profiles and implementing initiatives accordingly.

In ensuring safety and advancing our businesses going forward, personnel development is essential. To build reliable capabilities for safe operation, we will utilize not only the Japanese personnel who form the core of our marine technical divisions but also marine technical specialists from all over the world. Within the Headquarters of Safety Operations, we have established the Global Maritime Resources Division to lead our international policy on assignment of seafarers in various nations and the utilization of non-Japanese marine technical specialists. Moreover, we have appointed a non-Japanese marine technical specialist to serve as the general manager of the new division. We will continue developing as a corporate group in which diverse personnel play active roles.

Through our safety campaign and other initiatives, we are fostering a safety culture that is common to all Group personnel, regardless of their profession or job. In addition, we will promote safe operation through measures focused on both technologies and human factors. Specifically, we will utilize information and communications technology (ICT) and DX to support vessels from shore and conduct training and drills for crew members.

As chief safety officer, I am committed to raising the safety levels of the MOL Group even higher while helping to improve the safety of marine transport through collaborative initiatives that involve industry peers and related organizations.

Creation of New Added Value

Marine Renewable Energy Business Initiatives

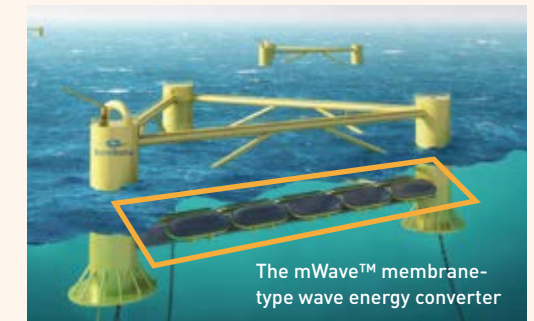
Foraying into all offshore power generation-related business fields, including transport, power generation, and peripheral businesses

Marine renewable energy comprises five types of power generation: offshore wind, wave power, tidal power, ocean current, and ocean thermal energy conversion (OTEC). By utilizing the inexhaustible supply of seawater and waves as an energy source, the realization of power supplies that are stable and particularly resilient to stormy weather is possible. We are involved in offshore wind, wave power, tidal power, and OTEC power generation.

Wave Power Generation

In 2020, we began participating in the management of Bombora Wave Power Pty Ltd, a British developer and manufacturer of wave power generation equipment. Bombora Wave Power is pursuing the early commercialization and widespread use of this type of power generation through the development of generation that uses the company's mWave™*1 membrane-type wave energy converter. Moreover, the company is developing the InSPIRE™ floating platform, which integrates mWave™ with floating wind turbines. Demonstration tests of a full-size 1.5 MW mWave™ converter are scheduled to begin off the coast of Pembroke, Wales, in the second half of 2022. Meanwhile, the company plans to conduct demonstration tests of a large-scale InSPIRE™ platform around 2025.

As a Bombora Wave Power shareholder, the MOL Group will help the company to advance its business. We will also provide the company with such practical support as assistance with the selection of suitable sites and finding local partners in Japan and Mauritius. When the company's wave power generation becomes commercially viable, we will establish synergistic relationships between it and our projects related to the offshore wind power generation business.



A rendering of the InSPIRE™ concept whereby mWave™ wave energy converters are integrated with the bases of floating wind turbines

*1 Pressure fluctuations below the water surface move rubber membranes in a pumping motion, creating flows of air within the energy conversion system that are used to generate power. The system is installed on the seafloors of coastal waters that are between eight and 20 meters deep. The system can operate 24 hours a day and is not easily affected by weather conditions as it is installed below the water surface.

Ocean Thermal Energy Conversion (OTEC)

OTEC uses temperature differences of around 20°C between surface water and water at depths of between 750 meters and 1,000 meters to evaporate ammonia and other media with low boiling points. The resulting steam turns the turbines of generators, producing electricity. The principle was first proposed in France in 1881, and the development of OTEC has been underway since the 1970s. Waters with high surface temperatures, such as those in the vicinity of Okinawa in Japan and equatorial regions, are suitable for OTEC. Due to the growing expectations for renewable energy in recent years, development activities have been gathering momentum in Japan, the United States, France, and other countries. Since April 2022, we have been collaborating with our partners Saga University and Xenosys Inc. to participate in the operation of a 100 kW-class OTEC demonstration facility in Kumejima, Okinawa. Owned by Okinawa Prefecture, the facility was established in 2013. We are advancing efforts with a view to introducing the world's first 1 MW-class OTEC facility to Okinawa around 2025. We also aim to realize a floating OTEC facility in the future.

Initiatives in Mauritius

The government of Mauritius aims to meet 60.0% of the country's energy needs through renewables by 2030 and has officially recognized wave power generation as a future power source. Also, past studies have confirmed that conditions in the country are highly compatible with the introduction of OTEC. With the cooperation of Japan's government, the MOL Group is verifying suitable sites for wave power generation in the coastal areas of Mauritius. We are also analyzing the introduction of OTEC to the country. By introducing to Mauritius the Kumejima model,*2 which utilizes deep ocean water from the seas near Kumejima in Okinawa Prefecture, we will not only establish a power generation business but also contribute to the creation and development of a wide range of industries.

*2 In this model, deep ocean water is actively used for secondary purposes. After being used for power generation, the water is of sufficiently low temperature for use in air-conditioning and industrial applications. In addition, the nutrients in the water can be utilized for aquaculture, agriculture, and the manufacture of beauty products. In Mauritius, the water is expected to be used as coolant for data centers and the air-conditioning of accommodation facilities.

Conservation for Marine and Global Environment

MOL aims to minimize the negative impacts of its business activities (marine environmental pollution, air pollution, reduction of biodiversity, climate change, etc.) and to ensure a sustainable world for everyone.



Initiative Focus	Targets	KPIs	Fiscal 2022 Action Plans
Climate Change Countermeasures	<p>Achieve net zero GHG emissions for the entire Group by 2050</p> <p>Numerical Targets</p> <ul style="list-style-type: none"> Achieve an approximately 45.0% reduction in the GHG emissions intensity of transport by 2035 (compared to that of 2019) Reduce GHG emissions intensity by 1.4% per year (average up to 2030) 	<ul style="list-style-type: none"> GHG emissions and emissions intensity Amount of environmental investment in climate change countermeasures 	<p>Implement strategies set forth in MOL Group Environmental Vision 2.1</p> <p>Set Scope 2 targets</p> <p>Increase and enhance disclosure based on TCFD recommendations (→page 48)</p> <p>Strengthen collaboration with Group companies</p>
Preservation of Marine Environments	<p>Reduce negative impact on the marine environment and biodiversity</p>	<ul style="list-style-type: none"> Number of vessels equipped with ballast water management systems Progress in establishment of methods for collecting related data 	<p>Consider methods of managing data on waste and wastewater</p> <p>Comply with the Taskforce on Nature-related Financial Disclosures and other international guidelines</p>
Protection of Biodiversity			
Prevention of Air Pollution	<p>Reduce air pollutants emitted from vessels</p>	<ul style="list-style-type: none"> NOx and SOx emissions NOx and SOx emissions intensity 	<p>Set quantitative target for SOx emission reduction</p> <p>Promote shift to clean alternative fuels</p>
Environmental Management	<p>Enhance an environmental management system incorporating measures for compliance with environmental regulations</p>	<ul style="list-style-type: none"> Progress in the enhancement and operation of the environmental management system 	<p>Comply with laws and environmental regulations</p> <p>Improve the operation of the environmental management system</p> <p>Conduct initiatives to improve environmental literacy</p>

For the MOL Group's environmental initiatives, please also see MOL Group Environmental Vision 2.1. <https://www.mol.co.jp/en/sustainability/environment/vision/index.html>

Climate Change Countermeasures: Progress of MOL Group Environmental Vision 2.1 Strategies

Strategy 1 Adopt Clean Alternative Fuels

With our sights set on acquiring approximately 90 LNG-fueled vessels by 2030, we have already decided on investments in 16 LNG-fueled oceangoing vessels in the form of eight car carriers, six dry bulkers, and two tankers as of the end of August 2022. Further, the introduction of many different types of LNG-fueled oceangoing vessels is under consideration. In addition, two LNG-fueled coastal ships have commenced service, and we have decided to invest in four LNG-fueled ferries.

Given that using LNG fuel emits less GHG than using conventional bunker oil and that LNG has been used for many years as a vessel fuel, the MOL Group is advancing the introduction of LNG-fueled vessels as an immediately realizable way of reducing GHG emissions.

In parallel with these initiatives, we are studying the introduction of vessels fueled by ammonia and hydrogen, which are strong candidates to become carbon-free fuels of the future. However, the establishment of marine engines and other technologies compatible with these new fuels as well as the building of fuel supply infrastructures globally will take a considerable amount of time. Continuing to use only conventional bunker oil until then would be inappropriate for us from a carbon budget*2 perspective. In our view, proactive introduction of LNG-fueled vessels will immediately contribute to the reduction of GHG emissions, thereby lowering our cumulative GHG emissions until new fuels become widely available and helping us address the global issue of climate change.

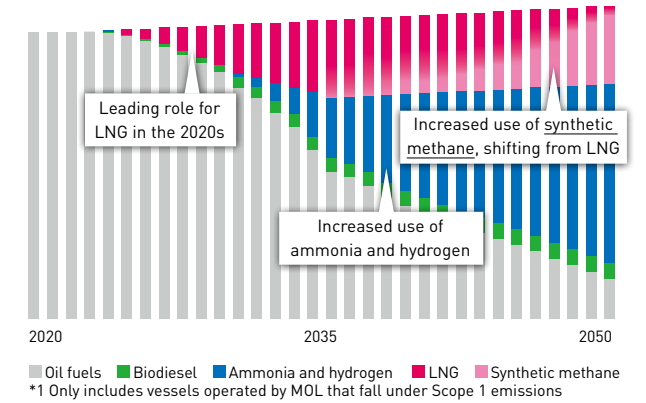
Moreover, compared with the use of conventional bunker oil, the use of LNG fuel is likely to reduce the CO₂ emission costs arising from restrictions and taxes on emissions, which are expected to be imposed on international marine transport in the near future. The introduction of LNG-fueled vessels ahead of other companies will give us a competitive advantage.

At present, our LNG-fueled vessels use natural gas, which is a fossil fuel. Going forward, however, we will significantly reduce GHG emissions by replacing this type of LNG with bio-LNG, which is made from organic waste, and with synthetic methane, which is produced through the use of renewable energy sources.

*2 A carbon budget sets the upper limit of permissible cumulative GHG emissions during a specified period that spans the past and future if the rise in global temperatures is to be limited to a certain level. The carbon budget approach views humanity as being in the process of using this budget.

For details on initiatives related to ammonia, methanol, batteries, and liquefied hydrogen, please see page 19.

Projected Composition of the MOL Oceangoing Fleet by Fuel Type*1 (Vessels)



Strategy 2 Enhance Energy-Saving Technologies

October 2022 is scheduled for the completion of the first vessel equipped with the Wind Challenger hard sail wind propulsion system, which is expected to reduce GHG emissions by roughly 8.0% on routes between Japan and the West Coast of North America. Further, plans have been finalized for the building of a second vessel equipped with the system by 2024. Our initiatives also include studies on the introduction of wind propulsion systems enabled by other technologies, such as Rotor Sail and Delta Sails.

Strategy 3 Boost Vessel Operating Efficiency (→page 19)

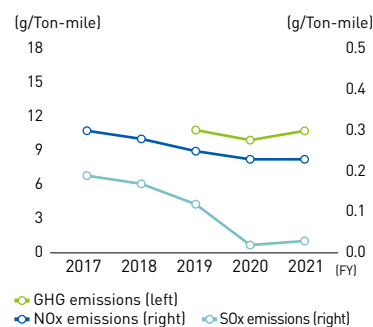
Strategy 4 Build Business Models That Enable Net Zero GHG Emissions

We are moving forward with a range of initiatives to establish business models that enable net zero emissions. For example, in fiscal 2021 we introduced internal carbon pricing (→page 19) as a mechanism to facilitate investment decisions that advance us toward achieving net zero emissions. In addition, we are acquiring carbon credits through afforestation that absorbs and fixes CO₂ (→page 38), and we are jointly purchasing verified CO₂ removals from a range of technology-enabled projects, such as those engaged in the removal of CO₂ from the atmosphere.

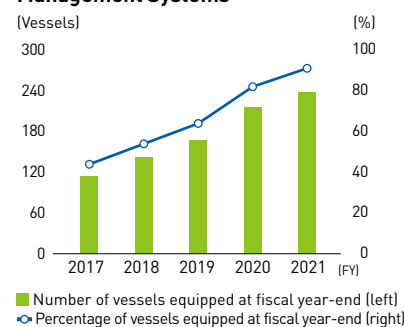
Strategy 5 Expand Low- and Zero-Emission Energy Businesses through the Use of the MOL Group's Concentrated Strengths

Aiming to deepen our involvement in the production, transport, storage, and supply stages of clean energy supply chains, we are tackling a variety of initiatives, such as a liquefied CO₂ marine transport business, demonstration tests under the Wind Hunter Project, and a concept study on an FSRU for ammonia fuel. Also, with the aim of reducing GHG emissions by promoting the proliferation of offshore wind and wave power generation, we have acquired an equity interest in an offshore wind power generation business in Taiwan (→page 17) and invested in a wave power generation equipment developer in the United Kingdom.

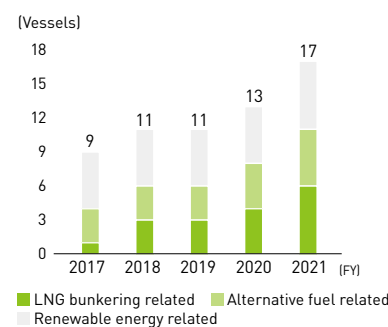
GHG, * NOx, and SOx Emissions



Number and Percentage of MOL-Owned Vessels Equipped with Ballast Water Management Systems



Number of Environment-Friendly Vessels in Operation



* Data presented beginning from fiscal 2019, when aggregation commenced.

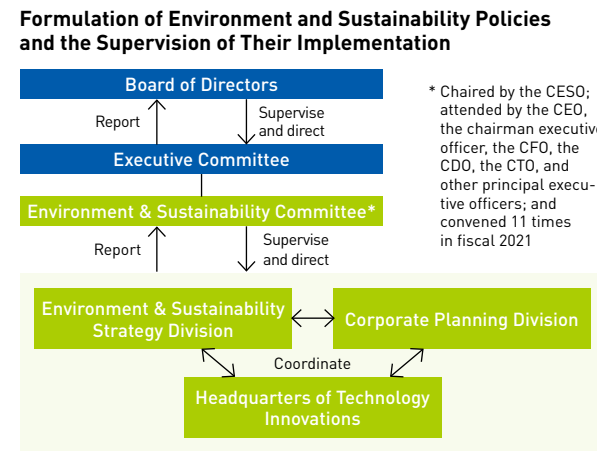
Endorsement of TCFD Recommendations and Conduct of Scenario Analysis

MOL conducts scenario analysis using the TCFD framework to identify risks and opportunities that may arise from climate change. With reference to the new TCFD guidance released in October 2021, we are further enhancing analysis and significantly increasing disclosure. For example, in fiscal 2022 we added 1.5°C scenarios to the range of scenarios that we use for analysis, which includes well-below 2.0°C scenarios, among others.

Please visit our website for details on our disclosure in line with TCFD recommendations.
<https://www.mol.co.jp/en/sustainability/environment/tcfid/>

• Governance

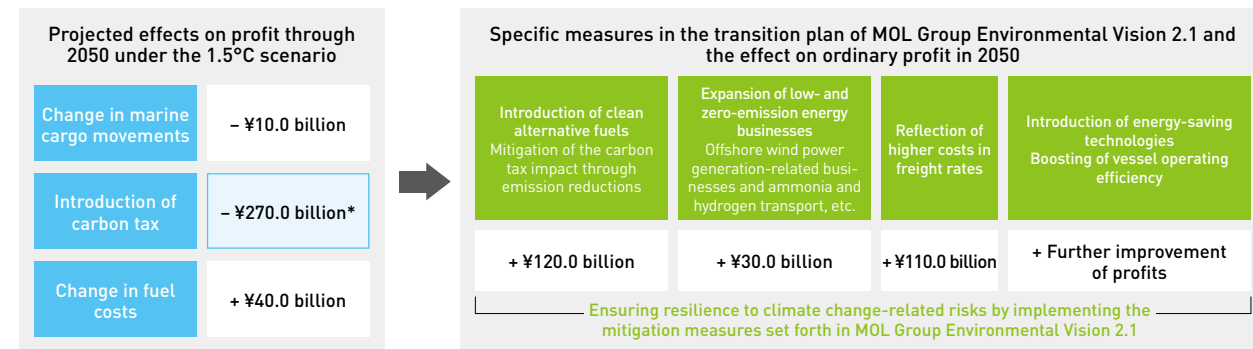
To advance initiatives for the Group's environmental strategies and sustainability issues in a manner that is integrated with management plans, MOL has established the Environment & Sustainability Committee as a subordinate committee of the Executive Committee. The former committee deliberates and determines basic policies on climate change-related matters. Following its deliberations, particularly important matters are reported to the Executive Committee and the Board of Directors for discussion and approval.



• Strategy

We conduct scenario analysis-based assessments of climate change impacts to identify the long-term risks and opportunities associated with climate change, understand the impacts on our businesses, and incorporate appropriate measures into our management plans. In addition to the existing well-below 2.0°C scenario and the 2.6°C scenario, we conducted analysis using a 1.5°C scenario in fiscal 2022. Using 2050 as a target year, we assessed the quantitative financial impact of each risk and opportunity. At the same time, we verified that in all scenarios the transition plan set out in MOL Group Environmental Vision 2.1 will function appropriately as a mitigation measure and realize sufficient resilience.

Particularly Significant Risks and Opportunities Identified through Scenario Analysis



* Monetary impact if all vessels continued to use oil fuels until 2050

• Risk Management

By classifying major risks related to our overall businesses and mapping these risks based on their impact level and likelihood of occurrence, we are preparing to identify important issues. Identified as a major risk through this process, climate change is being further classified and assessed by the Environment & Sustainability Committee (→pages 72 to 77).

• Indicators and Targets

MOL conducts management based on a variety of indicators and targets. For example, we disclose emissions intensity and Scope 1, 2, and 3 GHG emissions, and we have incorporated these indicators into the medium- and long-term targets set out in MOL Group Environmental Vision 2.1. Also, we set quantitative targets in management plans for investments in low-carbon and decarbonization fields and conduct related performance management. Further, our decisions on investments reflect carbon prices that are calculated by using internal carbon pricing.

Preservation of Marine Environments and Protection of Biodiversity

Ballast Water Management

Carried out when loading cargo, the discharge of ballast water by vessels can negatively impact marine ecosystems by transferring foreign marine organisms across borders. Before the 2017 enforcement of the Ballast Water Management Convention, in 2014 the MOL Group established and began implementing a Groupwide policy of equipping vessels with ballast water treatment systems. As of June 2022, we have equipped 233 existing vessels and vessels under construction with these systems.

Management of Hull Biofouling

To prevent the adverse effect on biodiversity resulting from the transborder movement of marine organisms attached to hulls (hull biofouling), the International Maritime Organization (IMO) has adopted various regulatory guidelines, which are currently being revised. Our involvement in the revision of international guidelines on hull biofouling entails offering our opinions as a business operator through industry associations.

Prevention of Marine Pollution

An international convention requires that vessel fuel tanks and tankers have double hulls, and the MOL Group complies with all related conventions and laws.

Based on the MARPOL Convention, we prepare onboard waste management plans requiring the separation, collection, storage, and disposal of onboard waste. Further, designated managers ensure all crew members are thoroughly apprised of these plans. We also appropriately dispose of onboard waste oil and water.

▶ CASE 1: Participating in the Ocean180 Marine Biodiversity Big Data Project

MOL participates in Ocean180, an industry-academia-government project led by Professor Yasuhiro Kubota of the University of the Ryukyus and tasked with protecting marine biodiversity. To this end, the long-term project is using big data on marine life, statistical modeling, and artificial intelligence to render ocean ecosystems visible. The project's name reflects a commitment to turning around the ongoing deterioration in marine biodiversity. The MOL Group contributes to the project by providing the operational data from its vessels. At the same time, we are using the information and knowledge gained from this project in other initiatives aimed at protecting marine biodiversity.

▶ CASE 2: Collecting and Investigating Marine Microplastic and Debris

As of 2022, five of our owned vessels have installed a device jointly developed by MOL and Miura Co., Ltd. for collecting microplastic, which refers to plastic grains measuring 5 mm or less. In Southeast Asia, where the problem of marine debris is becoming increasingly severe, we are conducting an investigation with the aim of establishing and introducing a marine debris collection system that suits local conditions and uses a specialized vessel to collect marine debris. Also, in the 2019-2020 Japan-Palau Goodwill Yacht Race, we cooperated with the Japan Agency for Marine-Earth Science and Technology in an ocean plastics observation project.

Prevention of Air Pollution

SOx emissions countermeasures

- Utilizing compliant fuel with sulfur content of ≤ 0.50%
- Equipping vessels with SOx scrubbers
- Switching to alternative fuels

Planning to set quantitative reduction targets for SOx emissions

NOx emissions countermeasures

- Installing onboard SCR (selective catalytic reduction) systems
- Installing onboard EGR (exhaust gas recirculation) systems

Environmental Management

Since 2001, we have been developing and operating our own environmental management system, and the system has obtained certification under the ISO 14001 international standard. We will steadily reinforce and improve the operation of this system in line with our Environmental Strategy, which is one of the three pillars of our management plan.

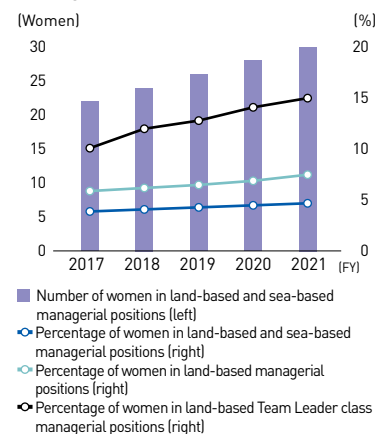
Contributing to the Growth and Development of People and Communities

MOL aims to achieve successful coexistence among everyone involved in the MOL group businesses and the sustainable growth and development of communities through its activities as a corporate group that respects diverse personalities and that can maximize the capabilities of every employee.

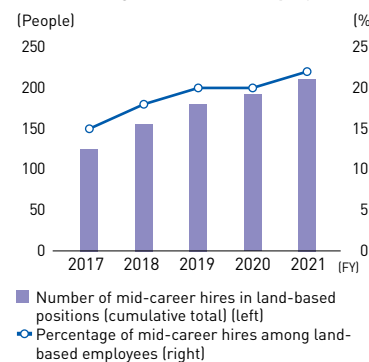


Initiative Focus	Targets	KPIs	Fiscal 2022 Action Plans
Human Resource Development	Foster personnel who embody MOL CHARTS	<ul style="list-style-type: none"> Results of activities to instill MOL CHARTS Groupwide Training investment and number of training days Results of the One MOL Management School and the One MOL Global Management College training programs for the next generation 	<ul style="list-style-type: none"> Conduct activities to instill MOL CHARTS Groupwide Expand and enhance rank-based training and career support programs Strengthen the operation of the talent management system Implement training programs for the next generation
	Secure and develop highly skilled crew members	<ul style="list-style-type: none"> Results of training and e-learning for crew members 	<ul style="list-style-type: none"> Regularly conduct training programs Operate our maritime academy in the Philippines and produce high-quality graduates
Work-Style Reforms	Improve human resource competitiveness and realize innovation through a corporate culture that enables employees to work with vitality and enthusiasm	<ul style="list-style-type: none"> Percentage reduction in overtime hours Percentage of paid leave taken 	<ul style="list-style-type: none"> Introduce a telecommuting system and improve office environments Further reinforce infrastructure for DX Set new KPIs as well as division-specific KPIs
Diversity & Inclusion	Realize a work environment in which diverse personnel can play active roles Numerical Targets <ul style="list-style-type: none"> Percentage of women in managerial positions by fiscal 2025: <ul style="list-style-type: none"> All managerial positions ≥ 7.0% Land-based managerial positions ≥ 10.0% Land-based Team Leader class managerial positions ≥ 20.0% 	<ul style="list-style-type: none"> Percentage of women in respective employee ranks Percentage of non-Japanese officers at overseas subsidiaries Use of the reemployment system Percentage of mid-career hires 	<ul style="list-style-type: none"> Upgrade and expand the childcare leave system Hold dialogues for female employees of domestic Group companies Promote the recruitment of local employees at overseas subsidiaries Upgrade and expand the reemployment system
Health and Productivity Management	Encourage employees to take the initiative in improving their own health Numerical Targets <ul style="list-style-type: none"> Percentage of employees receiving regular health checks: 100.0% Percentage of employees receiving stress checks: ≤ 90.0% Percentage of employees who smoke: ≤ 10.0% by fiscal 2025 	<ul style="list-style-type: none"> Percentage of employees receiving regular health checks Percentage of employees receiving stress checks Percentage of employees who smoke 	<ul style="list-style-type: none"> Rigorously ensure that employees receive regular health checks and strengthen post-check follow-ups Rigorously ensure that employees receive stress checks Conduct interviews with employees assigned overseas Hold seminars on health
Stakeholder Engagement	Enhance dialogue with major stakeholders and reflect their concerns in business management	<ul style="list-style-type: none"> Results of stakeholder engagement 	Increase opportunities for dialogue with major stakeholders
Advancement of Local Communities	Increase activities that contribute to the development of the local communities where we conduct business activities	<ul style="list-style-type: none"> Results of corporate citizenship activities Progress of activities benefiting local communities in Mauritius 	<ul style="list-style-type: none"> Conduct corporate citizenship activities Conduct activities benefiting local communities in Mauritius

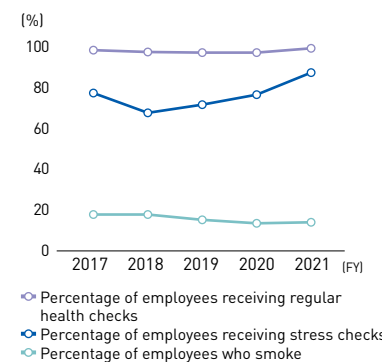
Number and Percentage of Women in Managerial Positions



Number and Percentage of Mid-Career Hires among Land-Based Employees



Health and Productivity Management Indicators



Human Resource Development

Instillment of MOL CHARTS Groupwide

Revised in April 2021, the acronym CHARTS stands for challenge, honesty, accountability, reliability, teamwork, and safety and encapsulates a set of values shared by Group employees worldwide. We established the values in their current form by adding an "S" to the MOL CHART values originally established in 2015. We have promoted the new CHARTS by conducting the activities outlined in the table below.

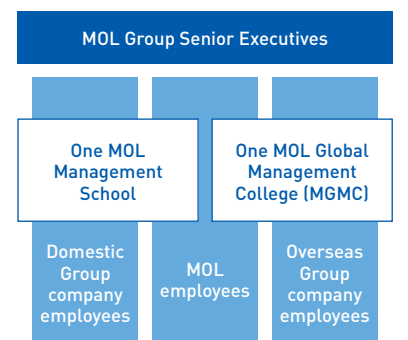
Fiscal 2021 Initiatives for the Instillment of MOL CHARTS Groupwide

Overseas	In Japan and overseas, conferences aimed at furthering understanding of the MOL Group Corporate Mission, the MOL Group Vision, and MOL CHARTS were held.	In 15 countries, subsidiaries held workshops in which 573 participants deepened their understanding of MOL CHARTS by giving presentations on personal interpretations of the values to fellow participants.
Japan		To provide individual participants with opportunities to consider the significance of MOL CHARTS in relation to their particular position, we held approximately 100 CHARTS TALK sessions under a range of formats, including discussions among executive officers and sessions focused on specific topics and divisions.

Training Programs for the Next Generation

In addition to the use of external training programs, we are expanding and enhancing our original training programs for those personnel who are candidates to become the officers responsible for business management in the coming generation. At the core of these in-house programs are the One MOL Management School and the One MOL Global Management College (MGMC). Held since fiscal 2000, One MOL Management School gives trainees the fundamental skills needed for business management. Since fiscal 2021, the school has been focusing on creative leadership that recognizes the nature of innovation and inspires originality in organizations. In fiscal 2006, we launched the MGMC, which improves the management skills that leaders of globalized operations require to unite and mobilize diverse organizations.

In fiscal 2021, due to restrictions resulting from the COVID-19 pandemic, we held the school and college programs entirely online, and the programs were mainly participated in by personnel from overseas subsidiaries worldwide.



Work-Style Reforms Maximizing Job Satisfaction, Employee-Friendliness, and Group Performance

Aiming to increase employee productivity and fulfillment and thereby establish an environment that encourages the emergence of innovative ideas and new concepts, the MOL Group is pursuing work-style reforms focused on four main areas: personnel system reforms, workplace reforms, productivity improvements, and corporate culture reforms.

Our personnel system reforms included the introduction of a telecommuting system in March 2020 in response to the COVID-19 pandemic. Following multifaceted analysis of work styles, we introduced a permanent telecommuting system in July 2022. The new system is aimed at maximizing job satisfaction and employee-friendliness. At the same time, the system is designed to boost the MOL Group's performance as an organization by facilitating collaboration. In introducing the system, we have organized seminars on telecommuting that are conducted by an outside company and offered employees a range of telecommuting advice through an email magazine.

In conjunction with the introduction of telecommuting and as part of workplace reforms, we will remodel our Head Office to further develop safety awareness, improve work efficiency, deepen communication, and strengthen team building. Based on the insights gained from a pilot office established on the 5th floor, which has already been remodeled, the new-look Head Office will be an interconnected space that constantly and seamlessly integrates office work with working from home and that heightens safety awareness by locating sales divisions near the Safety Operations Headquarters. We will phase in the use of the remodeled parts of the Head Office beginning fall 2022. Also in fiscal 2022, we will advance work-style reforms for sea-based employees. As with land-based employees, we will take a range of measures to promote job satisfaction and employee-friendliness. We will create attractive, comfortable workplaces and actively improve offices and living quarters on vessels. Further, through initiatives aimed at empowering female employees, we will develop employee-friendly, rewarding environments not only for female employees but for all sea-based employees. To improve productivity, we will enhance the quality of meetings, streamline and clarify duties, and utilize tools such as robotic process automation. As for corporate culture reforms, we will expand and enhance engagement surveys and 360-degree evaluations and utilize corporate culture assessments.

>> Diversity & Inclusion

In April 2021, we established the Diversity & Inclusion Management Basic Policy, which identifies the advancement of diversity & inclusion as a new driver of growth. With this policy forming the core of its human resource strategy, the MOL Group will build frameworks for combining the diverse talents and attributes of Group employees around the world and thereby enabling the creation of new value.

Empowerment of Women

The empowerment of female employees is essential in promoting diversity & inclusion. As a company that excels at promoting women in the workplace, we earned selection as a "Nadeshiko Brand" company in fiscal 2020 and fiscal 2021. As well as existing support that helps employees meet work and childcare responsibilities, we will raise the percentage of women in managerial positions by empowering women in line with an action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace. As part of these efforts, on International Women's Day we will partner with other companies to hold joint events focused on career development and self-development.

Mid-Career Hires

Since 2001, we have been conducting mid-career hiring to attract and develop a diverse workforce. As a result, about a quarter of our land-based employees in career-track and managerial positions are mid-career hires. By welcoming into our workforce people with many different types of individuality and attributes—such as experience, personal qualities, skills, and values—we are achieving diversity & inclusion.

Employment of People with Disabilities

With a diverse workforce as a premise, the MOL Group is creating workplace environments that enable all employees to utilize their abilities and fostering an organizational culture that encourages mutual understanding among the various individuals in the Group. In accordance with these efforts, since April 2021 we have been employing people with disabilities through the MOL RAISE in-house farm program, which operates in Koshigaya in Saitama Prefecture. By enabling Head Office employees and officers to visit the farm and participate in cultivation and harvesting and by using the farm's fresh vegetables as ingredients at the Head Office cafeteria, we encourage a wide range of employees and officers to think about those different from themselves, helping create an organization based on respect for diversity.

>> Health and Productivity Management

In April 2021, we formulated the Declaration on Health and Productivity Management. Viewing the enhancement of employee health as an important management task, we are further developing initiatives aimed at the Groupwide dissemination and promotion of the values set out in the declaration. Since becoming the first shipping company selected as a Health & Productivity Stock by the Tokyo Stock Exchange and the Ministry of Economy, Trade and Industry, we have earned this recognition for a second consecutive year.

The Human Resources Division plays a central role in providing tailored support and encouragement to employees in coordination with MOL's health insurance association and with a team of industrial health personnel consisting of industrial doctors, internal medicine doctors, psychiatrists, certified psychologists, health nurses, and massage therapists. Through training and various other measures, we are raising employees' awareness of health management. Also, we are rigorously ensuring that employees receive regular health checks and increasing the percentage of employees that receive stress checks to prevent mental health disorders. Other initiatives include a smoking cessation support program, which is reducing the percentage of employees who smoke.

A Message from the Chief Human Resource Officer



Junko Moro
Managing Executive Officer
Chief Human Resource Officer
Responsible for the Human Resources Division

In addition to conventional marine transport, the MOL Group is developing various social infrastructure businesses and taking on new challenges to meet society's changing needs with respect to such issues as environmental protection. In all of these businesses, personnel are the driving force of initiatives. As the Chief Human Resource Officer, I would like to contribute to the initiatives of each business.

Given that securing and developing diverse human resources is an urgent issue for the Group, which aims to achieve global growth by leveraging its comprehensive capabilities, we will create an environment that enables individuals to demonstrate their talents and play active roles.

>> Stakeholder Engagement

Recognizing that our important stakeholders include shareholders and investors, customers, business partners, employees, government agencies, local communities, and nongovernmental organizations (NGOs), we engage in the various forms of stakeholder dialogue shown in the table below. By utilizing the valuable opinions obtained through these dialogues in management, we will advance business activities in line with the needs of society and help address a range of social issues.

Important Stakeholders	Main Types of Dialogue (Frequency)	
Shareholders and Investors	<ul style="list-style-type: none"> General meetings of shareholders (once a year), financial results briefings (four times a year, two of which are conducted by the CEO) Investor relations meetings in Japan and overseas (approximately 200 times a year), stakeholder relations meetings (approximately 20 times a year) Business briefings for investors and ESG briefings (once or twice a year) Company briefings for individual investors (several times a year) 	<ul style="list-style-type: none"> Small meetings with the CEO (general version: four times a year, ESG version: once a year) Small meetings with outside directors (planned for fiscal 2022) Various reports (securities report, corporate governance report, integrated report, and investor guidebook, each once a year)
Customers	<ul style="list-style-type: none"> Sales activities (year-round) Website and social networking services (year-round) MOL service website and inquiry desk (as needed) 	<ul style="list-style-type: none"> Vessel visits (cargo-handling tours, as needed) Customer satisfaction surveys (irregular) Various seminars and exhibitions (irregular)
Business Partners	<ul style="list-style-type: none"> Shipowner meetings (once a year) Safe operation liaison meetings with shipowners (once a year) Agency and stevedore meetings (once or twice a year) 	<ul style="list-style-type: none"> Safe operation campaigns (once a year) Various seminars and exhibitions (irregular)
Employees and Crews	<ul style="list-style-type: none"> Personnel evaluation meetings (four times a year) Organizational culture assessments (every two years) Labor-management consultations (as needed) Advisory service desks (as needed) In-house magazines (printed and online, as needed) 	<ul style="list-style-type: none"> Business performance and management presentations (four times a year) Dialogues between management and employees (at least 10 times a year) Seafarer Family Days (once a year) Safety Conferences (three times a year)
Government Agencies	<ul style="list-style-type: none"> Dialogue with government agencies and municipal authorities (as needed) 	<ul style="list-style-type: none"> Cooperation in surveys and questionnaires (as needed)
Local Communities and NGOs	<ul style="list-style-type: none"> NGO round-table discussions (once a year) Social contribution activities in Mauritius (throughout the year) Beach cleanup activities (several times a year) 	<ul style="list-style-type: none"> Cargo-handling and terminal tours (irregular) Workplace visits by students and events that explain businesses (as needed) Sending of instructors to lectures and training programs (as needed)

>> Advancement of Local Communities

The MOL Group has engaged in restoration and preservation of the natural environment and contribution to local communities in Mauritius since an oil spill resulting from the running aground of chartered vessel the WAKASHIO in 2020.

We established the MOL Charitable Trust in June 2021 and the MOL Mauritius International Fund for Natural Environment Recovery and Sustainability in November 2021. The trust and fund are in the process of steadily disbursing a total of approximately ¥800.0 million. In December 2021, 26 projects were selected to receive grants from the trust, while in May 2022 it was decided to provide grants to 11 projects from the fund.

Through the trust and fund, we will provide long-term support focused on the restoration and conservation of the rich natural environment and ecosystems of Mauritius, including mangrove forests and coral reefs; protection and research activities for wild birds and migratory birds, including indigenous species; the development of fisheries, tourism, and cultural activities, which form the foundations of the Mauritian economy; and the training of local personnel to support all of these activities. Also, we aim to contribute to the sustainable economic development of the country. To this end, we are conducting feasibility studies on the introduction of such marine renewable energy as wave power generation and ocean thermal energy conversion generation.



Offering support to local fishermen in Mauritius



Conducting a mangrove monitoring survey

For details on our other initiatives for local communities, please visit the Social Contribution Activities section of our website.

<https://www.mol.co.jp/en/sustainability/human/society/index.html>

For details on our activities in Mauritius, please visit the MOL for Mauritius website.

<https://www.mol.co.jp/en/formauritius/>

Innovation for Development in Marine Technology

MOL aims to enhance its business through advanced technologies using clean energy and ICT and to help address various social issues. This will also help the Group to provide added value through safe transportation and our social infrastructure business and achieve its goal of conservation for marine and global environment.



Initiative Focus	Targets	KPIs	Fiscal 2022 Action Plans
Groupwide Adoption of Clean Energy	Introduce and increase the use of clean alternative fuels for vessels Numerical Targets <ul style="list-style-type: none"> Deploy commercial net zero GHG emissions oceangoing vessels in the 2020s Deploy 90 LNG-fueled vessels by 2030 Deploy approximately 110 net zero GHG emissions oceangoing vessels by 2035 	<ul style="list-style-type: none"> Number of alternative clean energy fueled vessels ordered and completed and progress in developing these vessels 	Promote the development of related technologies —Ammonia-fueled vessels, vessels that use hydrogen as fuel, and Wind Hunter Increase the introduction of LNG-fueled vessels Collect basic information on new alternative fuels
	Develop technologies that contribute to the spread of clean energy in society	<ul style="list-style-type: none"> Progress in developing clean energy carriers Number of LNG and ammonia bunkering vessels ordered and completed 	Promote the development of relevant technologies —Liquefied CO ₂ carriers and liquefied hydrogen carriers Conduct a study on the development of LNG and ammonia bunkering vessels
Increasing the Energy Efficiency of Vessels	Use natural energy and establish and promote energy-saving technologies that help improve propulsion performance	<ul style="list-style-type: none"> Number of vessels equipped with wind propulsion systems such as Wind Challenger Progress in introducing and promoting other existing energy-saving technologies 	Introduce lighter sails designed for commercialization Conduct a study with a view to the installation of a cylindrical rotor sail Introduce and adopt energy-saving technologies —Propeller Boss Cap Fins and the Optimal Trim System
ICT Utilization for Safe, Efficient Operation	Upgrade, expand, and establish platforms using vessel-related big data (the FOCUS Project)	<ul style="list-style-type: none"> Progress of the FOCUS Project Number of vessels equipped with Fleet Transfer*1 	Upgrade FOCUS Project initiatives Promote the introduction of Fleet Transfer to chartered vessels Conduct data analysis with a view to economizing on fuel Develop technologies for the diagnosis of equipment defect precursors
	Establish technologies for autonomous vessel navigation	<ul style="list-style-type: none"> Progress in developing technologies for autonomous vessel navigation 	Formulate a development plan in light of sea trials Select partners and conduct verification with a view to installation
Advancement of Technology Development and DX	Establish an organizational structure that sustains technology innovation	<ul style="list-style-type: none"> R&D expenditures 	Enhance organizational structure for technology development Launch new development projects that will lead to benefits in relation to environmental protection, safety, and labor-saving technologies Strengthen collaboration among MOL and Group companies
	Establish an organizational structure that promotes the realization of DX	<ul style="list-style-type: none"> Amount of DX-related investment Number of DX-related personnel 	Establish the MOL DX Vision Promote various DX projects such as quantitative evaluations of the quality of shipowners and ship management Establish a DX training and recruitment policy and implement measures

Groupwide Adoption of Clean Energy

Initiatives for Ammonia-Fueled Vessels

We are developing technologies related to ammonia fuel, a promising next-generation clean alternative to LNG fuel. Although ammonia-fueled marine engines have yet to be commercialized, we have launched a pilot project by concluding a memorandum of understanding with MAN Energy Solutions and Mitsui E&S Machinery, Ltd., with a view to ordering vessel main engines that are primarily fueled by ammonia.

Further, aiming to build an ammonia-fueled oceangoing ammonia carrier, we have begun joint development with Tsuneishi Shipbuilding Co., Ltd. and Mitsui E&S Shipbuilding Co., Ltd. The envisioned vessel is a mid-size ammonia carrier that achieves net zero CO₂ emissions while underway by using some of its ammonia cargo as fuel. Moreover, the project is tasked with designing a highly versatile vessel that can call at the major ammonia loading and receiving ports and be deployed on a wide variety of routes. We will proceed with joint development aimed at the completion and service commencement of an inaugural commercial net zero GHG emissions oceangoing vessel around 2026, thereby progressing toward one of the targets set out in MOL Group Environmental Vision 2.1.



Development of Liquefied CO₂ Carriers

In March 2021, MOL began participating in the liquefied CO₂ ocean transport business by investing in Norway's Larvik Shipping AS, which has managed industrial liquefied CO₂ carriers in Europe for more than 30 years. Further, with our sights set on future growth in transport demand, we are developing specialized carriers. Envisioning a range of transport needs, we completed a concept study on multiple vessel types with Mitsubishi Shipbuilding Co., Ltd. in November 2021.



Liquefied CO₂ carriers will play an important role in the carbon capture, utilization, and storage value chain, attracting attention as a means of realizing a low-carbon or carbon-free society. For MOL, demand for the transport of liquefied CO₂ has the potential to replace demand for the transport of fossil energy resources, which is expected to gradually decline. Although issues remain to be resolved before liquefied CO₂ carriers can be commercialized, we will continue utilizing a wide range of internal and external expertise to advance development initiatives.

Wind Hunter Project

Following on from the Wind Challenger Project (→page 56), which is developing a hard sail that enables wind-power propulsion, since November 2020 we have been working on the Wind Hunter Project to achieve zero emissions through the use of wind power, hydrogen, and fuel cells. In November 2021, we successfully completed stage one sea trials using the yacht WINZ MARU equipped with a small power generation plant in Omura Bay, Nagasaki Prefecture. At sea, a cycle was completed in the following order: ocean wind-based power generation, hydrogen production, hydrogen storage, use of the stored hydrogen for fuel cell power generation, and propulsion by an electric propeller. In stage two, we will build a 60-meter-long sailing vessel by 2024. Stage three will entail developing and building a large zero-emissions carrier by 2030.



A sea trial using the yacht WINZ MARU in Omura Bay, Nagasaki

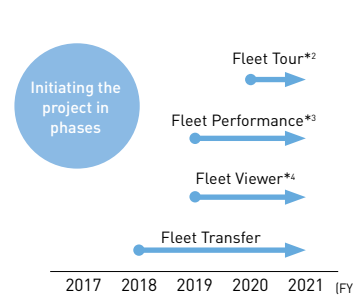


WINZ MARU sailing on electricity generated by wind power

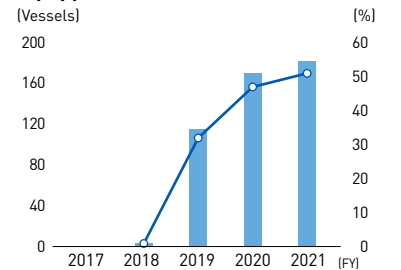


A rendering of the vessel to be built in stage two

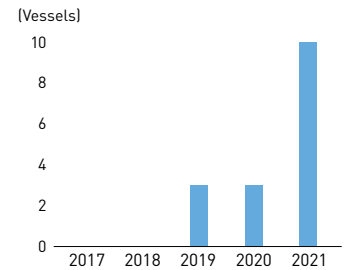
Progress of the FOCUS Project



Number and Percentage of Vessels Equipped with Fleet Transfer



Number of Clean Alternative Energy Fueled Vessels Ordered



*1 A system that collects IoT big data from vessels in real time and sends it to shoreside platforms *2 An application for virtual tours of vessels
 *3 An application for the analysis of vessel propulsion performance *4 An application for the advanced monitoring of ship data

》》 Increasing the Energy Efficiency of Vessels

Wind Power Utilization

MOL is engaged in a range of initiatives aimed at exploiting the power of wind, an important energy-saving solution. One such initiative is the Wind Challenger Project, which is tasked with reducing the fossil fuel consumption and environmental impact of large commercial vessels by converting wind power into propulsion through the use of a hard sail. A single hard sail is estimated to reduce GHG emissions by roughly 5.0% on routes between Japan and Australia and 8.0% on routes between Japan and the West Coast of North America. We aim to achieve even greater benefits by installing multiple hard sails and using them in combination with other GHG emission reduction measures. A new coal carrier—which will become the first vessel equipped with the hard sail—is currently in the final stages of construction and is scheduled for completion in October 2022. Further, we have concluded a contract for the construction of a second hard sail equipped vessel, which is for Enviva Partners, LP, a major global company in the wood biomass energy field.

We will become a leading company in the use of wind power by introducing technologies optimally suited to particular vessel sizes, cargoes, and routes. In addition to the Wind Challenger hard sail, we will introduce a cylindrical Rotor Sail, which utilizes the Magnus effect for propulsion, and a delta sail, which is mounted on cargo handling cranes.



Full-sail Wind Challenger Lowered-sail Wind Challenger

Wind Challenger concept video (in Japanese only)
<https://www.youtube.com/watch?v=OuDP-Flmemk>



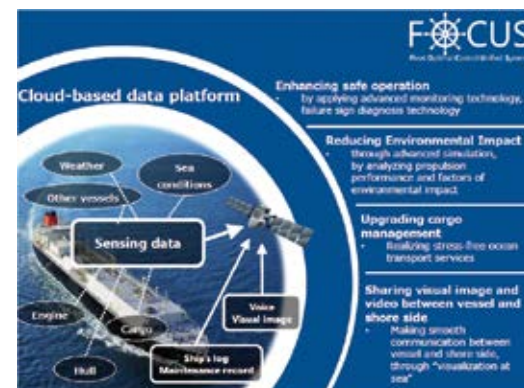
》》 ICT Utilization for Safe, Efficient Operation

Use of Digital Twin Technology

The rapid development of big data, the Internet of Things (IoT), and other ICT is increasing the possibilities for using ICT at sea and between vessels and land. Our core initiative for the exploitation of ICT is the FOCUS Project, which was launched in fiscal 2018. We utilize detailed voyage and engine data on operation in actual seas, which is collected from approximately 10,000 sensors installed in each vessel. Roughly 180 operating vessels were equipped with sensors as of the end of March 2022. After being stored on a cloud-computing data platform, the data is utilized for advanced operational monitoring as well as the analysis of propulsive performance.

As part of the FOCUS Project, we are taking advantage of digital twin technology, which digitally reproduces real-world events in real time. In a virtual space, a copy of reality is constructed on a digital system, and various simulations are then performed. The analysis of simulation results enables us to optimize real-world actions. The MOL Group is advancing development initiatives under the themes shown in the table below.

Hull Structure	Based on the stress that has been placed on a hull since its completion, structural fatigue is precisely estimated, and hull maintenance work is optimized during periodic docking.
Main Engine Operation	With a high level of precision, engines' operating conditions and degree of deterioration over time are estimated and engine characteristics are analyzed through the visualization of main engine scavenging and exhaust gas heat, which are difficult to measure during navigation. The results are used to prevent engine overload (torque rich) and curb torque fluctuations during operation in stormy weather, thereby facilitating optimal, safe operation.
Route Recommendation	Based on the analysis of a vessel's propulsion performance in actual seas and weather and sea forecast information, the optimal route and propulsion output for reducing GHG emissions while ensuring safety and punctuality are selected and recommended.



Autonomous Vessel Navigation

With the aims of enhancing safety levels and lightening the workloads of crew members, the MOL Group is working on the development and introduction of technologies for autonomous vessel navigation. Given that about 80% of navigation accidents are attributable to human error, we will reduce the risk of accidents by using technologies for autonomous vessel navigation to perform tasks currently performed by crews.

In fiscal 2021, MOL participated in the MEGURI 2040, a project led by the Nippon Foundation that is focused on the unmanned operation of vessels. Under the project, a consortium of six companies conducted successful sea trials of the unmanned operation of the coastal car ferry Sunflower Shiretoko on the approximately 400-nautical-mile route between Tomakomai Port in Hokkaido and Oarai Port in Ibaraki Prefecture and of the coastal containership Mikage on the approximately 145-nautical-mile route between Tsuruga Port in Fukui Prefecture and Sakai Port in Tottori Prefecture. The ferry is owned and operated by MOL Ferry Co., Ltd., while the containership is owned by Imoto Ship Company and operated by Imoto Lines, Ltd. In the aforementioned sea trials, an autonomous vessel operation control system, developed by Mitsui E&S Shipbuilding, realized autonomous vessel navigation by referring to accurate analysis of vessel location information; wind, tides, currents, and various other external factors; vessel-specific attributes such as maneuverability, acceleration and deceleration performance, and equipment configuration; and rules applied to vessels. If there were other ships, obstacles, or debris on the set routes, the vessels safely navigated along avoidance routes based on information gathered and provided by a vessel peripheral information integration system developed by Furuno Electric Co., Ltd. Berthing and unberthing, which require especially delicate handling, were realized by enabling the autonomous vessel operation control system to use information from berthing and unberthing support sensors developed by Furuno Electric. When mooring a vessel in port, an onboard crew member normally passes a heaving line to a worker on the pier by throwing the line. In these sea trials, however, an automatic flight drone, which was developed by A.L.I. Technologies Inc., was used to carry the line to piers.

In addition to participating in the initiatives of the aforementioned consortium, the MOL Group is developing elemental technologies with the aim of realizing automated watch-keeping and the automated creation of routes that avoid collisions with other vessels. We will continue devising and introducing technologies to heighten safety levels and reduce the workload of crews.

》》 Advancement of Technology Development and DX

A Message from the Chief Technical Officer



Makoto Yamaguchi
 Executive Officer
 Chief Technical Officer (CTO)
 Director General, Headquarters of
 Technology Innovations

In April 2022, we established a new slogan for technology development: One Mile Ahead. This slogan continues the themes of the Senpaku ISHIN Project and ISHIN NEXT—MOL SMART SHIP PROJECT, which were launched in 2009 and 2016, respectively, as symbols of technological innovation aimed at advancing the safety and environment-friendliness of vessel operations. The new slogan for technology development expresses our determination to steadily move forward "one mile" at a time in the way that a vessel voyaging in stormy weather heads toward its destination no matter how rough the seas. Further, the slogan represents our commitment as an industry-leading corporate group to always pursue technologies that are "one mile" ahead.

Announced in June 2021, MOL Group Environmental Vision 2.1 calls on us to achieve net zero GHG emissions for the entire Group by 2050. The advancement of our strategies, which involve numerous technological innovations, is a mission we must fulfill to help address the environmental issues that the world is facing. Given the major changes that the entire logistics industry is undergoing as DX progresses, technical personnel will play integral roles in technology development and innovation initiatives. At the core of such initiatives is the Headquarters of Technology Innovations, which comprises the Technical Division, the Offshore Technical Division, and the Smart Shipping Division. As well as being assigned roles in these divisions and related sales divisions, our technical personnel are responsible for supervision and vessel management in relation to the shipbuilding projects of Group companies. Currently, we have 80 technical personnel in Japan and 14 technical personnel assigned to overseas bases.

Going forward, the Headquarters of Technology Innovations will concentrate on three goals.

- Resolving various issues in the marine transport industry by using leading-edge ICT
- Reducing environmental impact by lowering GHG emissions through the utilization of wind power as a renewable energy and the introduction of clean alternative fuels
- Benefiting society as a whole not only through vessels but also by promoting marine environmental conservation, FSRUs, offshore wind power generation-related businesses, and liquefied CO₂ marine transport.

In addition to augmenting our technical teams in Japan and overseas, we will strengthen partnerships with external organizations. Under our new slogan for technology development, we will make a concerted drive toward our target profile, focusing efforts on the development of unique technologies that leverage both hardware in the form of elemental technologies and software in the form of IT.



Governance and Compliance to Support Businesses

Through enhancement of corporate governance and thorough compliance, MOL aims to ensure transparency in Groupwide management, build foundations for its initiatives on social issues through business activities, and establish sustainable value chains based on consideration for human rights, safety, and the environment.



Initiative Focus	Targets	KPIs	Fiscal 2022 Action Plans
Management Transparency	Strengthen corporate governance capabilities with a view to enhancing corporate value Enhance the content of corporate governance related disclosure	<ul style="list-style-type: none"> Results of effectiveness external evaluations to measure effectiveness of the Board of Directors Progress of deliberations of the Corporate Governance Council 	Establish and disclose policy and plan for enhancing the skills of directors and Audit & Supervisory Board members Establish and disclose policy for cross-shareholdings and engagement with shareholders Rebuild the skills matrix for directors and Audit & Supervisory Board members
Information Security	Reduce information security risks	<ul style="list-style-type: none"> Number of serious ICT incidents E-learning track record in relation to information security 	Revise internal rules and ensure all employees are informed about them Establish a policy on ransomware countermeasures Conduct drills for responding to serious ICT incidents Conduct e-learning on information security Strengthen collaboration with Group companies
Responsible Procurement	Identify and reduce risks related to the environment, safety, and human rights throughout supply chains	<ul style="list-style-type: none"> Progress of initiatives to establish a monitoring scheme Track record on human rights training 	Announce related policies Conduct monitoring and implement improvement measures Promote initiatives on ESG-driven vessel recycling Conduct human rights-related training
Respect for Human Rights			
Fair Trade	Numerical Targets • Zero compliance violations	<ul style="list-style-type: none"> Number of compliance violations Number of consultations received by compliance advisory service desks Track record on compliance training and e-learning 	Establish policy on corruption prevention Expand compliance training and e-learning Hold a compliance awareness month Conduct various audits and implement improvement measures
Bribery Prevention			

Revision of the Director Remuneration Plan

In regard to its governance system, MOL is a company with an Audit & Supervisory Board, and the Board of Directors has both executive and supervisory functions. With the aim of realizing appropriate management decisions and sound governance, outside directors and Audit & Supervisory Board members focus on supervision and participate in discussions with internal directors, who also serve as executive officers, that reflect internal and external perspectives.

The remuneration plan is one of the most important means of ensuring highly effective governance. Balance and fairness are required to establish and maintain a remuneration plan that exercises a certain degree of control over directors while motivating them to increase corporate value. For this reason, the Remuneration Advisory Committee, a majority of whose members are outside directors, and which is chaired by an outside director, takes the lead in development of the Company's governance system.

In fiscal 2021, the director remuneration plan was significantly revised based on the recommendations of the Remuneration Advisory Committee and following the approval of the General Meeting of Shareholders convened in June 2021. Under the new system, to further promote the establishment of shared interests between executive directors and shareholders, performance-linked remuneration in the form of restricted stock is granted commensurate with contribution to long-term targets. Also, the new system clarifies and discloses the evaluation indicators for single fiscal year performance-based monetary remuneration. Further, safety has been incorporated as a component of ESG indicators to reflect the paramount importance of safety to the Company.

As well as the revision of the remuneration plan in fiscal 2021, in June 2022 the General Meeting of Shareholders approved the introduction of non-performance-linked remuneration in the form of restricted stock for non-executive directors and higher remuneration of Audit & Supervisory Board members to reflect their increased responsibilities and duties in recent years.

While advancing management in accordance with the new remuneration plan, the Remuneration Advisory Committee will constantly verify whether the system is contributing to effective governance, highly transparent management, and the Company's sustained growth.

For details on the remuneration plan, please see page 70.

Revitalization Revision of the Skills Matrix

The basic policy of the Company is to appoint directors based on the recommendations of the Nomination Advisory Committee and to establish a Board of Directors that comprises internal directors who can contribute to the enhancement of the Company's corporate value—based on a wealth of experience, expertise, and skills as well as an ability to make decisions on global management in light of broad perspectives and farsightedness—and outside directors who can realize supervisory functions—based on objective viewpoints, extensive experience, and high levels of expertise.

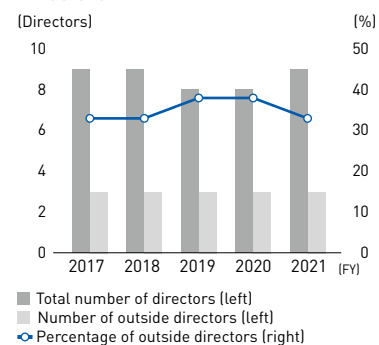
Since fiscal 2019, the Company has stipulated the experience, expertise, and skills that members of the Board of Directors should possess. Following in-depth discussions aimed at identifying and selecting the particular types of experience, expertise, and skill needed to realize the Company's target corporate profile, however, the Nomination Advisory Committee made the following revisions.

Main Features of the Revisions

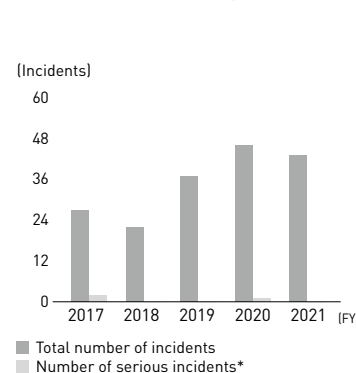
- With respect to experience, expertise, and skills, a general classification of the five types that are universally important in corporate management as well as the four types that are particularly important for a provider of social infrastructure
- Addition of human resource diversity as a fundamental component of sustainability
- Addition of safety as the most important foundation of businesses
- Addition of technology as an essential factor in fields central to the Company's future growth, including decarbonization businesses, safe and efficient operation, and DX

The short-listing and selection of candidates for the position of CEO and other director positions is conducted with reference to whether candidates possess the experience, expertise, and skills identified as necessary in the skills matrix. Meanwhile, given that these attributes may change as the business environment evolves, the Company will continue reviewing the content of the skills matrix. In addition to providing opportunities for directors to broaden their experience, expertise, and skills through training and development, the Company will appoint advisors to enhance the functions of the Board of Directors as required.

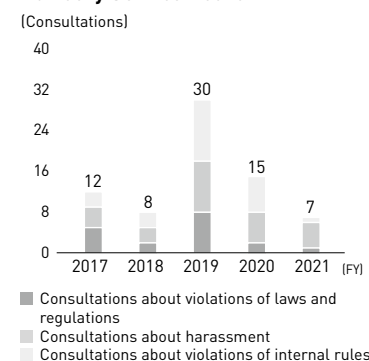
Total Number of Directors and Number and Percentage of Outside Directors



Number of ICT Security Incidents



Number of Consultations Received by Internal and External Compliance Advisory Service Desks



* Incidents are defined as threats, failures, and other events that damage ICT systems or information assets. Incidents are classified into four levels according to severity. Incidents corresponding to the highest level of severity are classified as serious incidents and are reported to management when they occur.

Aiming to Enhance Corporate Value through Tireless Improvement of Governance



Over the past few years, the MOL Group has accelerated governance reforms through such measures as revising the director remuneration plan and the formulation of succession plans. What have these reforms achieved? What are the remaining issues? How should governance evolve to reflect the Group's ongoing advance into a different growth phase? To address such questions, a dialogue was held between Junichiro Ikeda, MOL's representative director and chairman executive officer, and Etsuko Katsu, one of the Company's outside directors.

[The dialogue was held in April 2022.]

Junichiro Ikeda
Representative Director
Chairman Executive Officer

Governance Improvement through the Active Involvement of Outside Directors

Ikeda We have been focusing on governance reform over the past few years. Also, recent structural reforms of the containership business and various other businesses have reached favorable trajectories, and the Company as a whole is in very good shape. Moreover, I feel that governance reform has supported these structural reforms. Going forward, as we continue transforming ourselves into a social infrastructure group centered on marine transport, I believe that we should further evolve governance in a manner corresponding to this transformation.

As well as the sincere opinions received from outside directors and outside Audit & Supervisory Board members in various forums, there are external expectations in this regard,

such as those stemming from revisions to Japan's Corporate Governance Code. I recognize that proactively responding to these expectations remains extremely important.

Katsu Looking back on the years since I assumed the position of outside director, I believe that MOL has made great strides in governance. From the outset, I felt that both board members and MOL itself were determined to advance reforms. Particularly in the past few years, tangible results have been emerging, mainly with respect to the Board of Directors' greater effectiveness. Through the discussions of the Nomination Advisory Committee and the Remuneration Advisory Committee, we have achieved significant results, such as the formulation of a CEO succession plan and the revision of the director remuneration plan. In addition, various efforts have freed up time to discuss management issues from a long-term perspective. So, I feel that the Board is increasingly becoming a body that is focused on performing a supervisory role and examining and determining strategies. Coupled with the changes in the Tokyo Stock Exchange

market system and the creation of the Prime Market in April 2022, I believe that in-house awareness of the need to take the initiative in advancing reform is stronger than ever.

Ikeda As an example of how the opinions of outside directors have dictated the direction of the Group, our discussions when formulating MOL Group Environmental Vision 2.1, which was announced by the Company in 2021, left a particularly strong impression on me. The vision calls on us to achieve net zero GHG emissions for the entire Group by 2050. The goal initially proposed by executive officers was less ambitious. However, the unequivocal statements of an outside director to the effect that the proposed goal was inappropriate for the current era and that we must be more committed marked a turning point in discussions. In the end, the decision reached was that MOL, ahead of industry peers, would aim to achieve net zero GHG emissions for the entire Group by 2050.

Realization of this goal will require hardware that does not yet exist, including technologies and supply infrastructure for alternative fuels. Such feasibility issues inevitably made executive officers hesitant. Nonetheless, with the support of objective, big-picture viewpoints from outside the Company that looked ahead to the profile MOL should be pursuing, we were able to reach a momentous decision. Similarly, when we were formulating succession plans and revising the director remuneration plan, recommendations from outside directors led to more substantive, highly transparent decisions that included detailed provisions.

Katsu As you mentioned, the role of an outside director is to present independent opinions incorporating the viewpoints of investors and shareholders, have them reflected in business management, and appropriately present the results to the outside world. Further, ensuring engagement with society is extremely important. In particular, environmental, social, and governance (ESG) issues are areas that outside directors are becoming increasingly conscious of. In the process of formulating MOL Group Environmental Vision 2.1, the MOL Sustainability Plan, and Rolling Plan 2022, various opinions were put forward. By having Executive Committee members take these opinions into consideration, I believe that we were able to present the vision and plans to society in a more favorable light.

Ikeda At Board meetings, outside directors made recommendations that helped strengthen governance, but time constraints prevented extensive discussions. Therefore, in fiscal 2021 we established and began the operations of a new body called the Corporate Governance Council, which focuses exclusively on matters related to strengthening governance. As the council has only been in existence for a year, we are still finding our way to some extent. However, we have been using the council to elicit frank opinions from council members; categorize issues; seek proposals from Executive Committee members, depending on the type of issues

identified; and request that the Nomination Advisory Committee and the Remuneration Advisory Committee hold further discussions on certain issues.

Katsu As the number of topics requiring discussion at Board meetings increased, I also felt that the time available for discussing governance was becoming limited in Board meetings. In addition, I think holding discussions at a venue separate from Board meetings is conducive to the creation of an atmosphere in which opinions can be exchanged among both internal and outside directors more freely than before. Further, we have designed the administration of the council so that it functions practically, rather than just being a venue for exchanges of opinions.

A company's overall target profile for corporate governance represents, in a sense, the corporate profile to which the entity should aspire. The Nomination Advisory Committee and the Remuneration Advisory Committee have consistently engaged in substantive discussions on their respective fields, but the Corporate Governance Council encompasses all governance-related themes, including topics discussed by these committees and the Board as well as topics related to auditing and internal control. I believe that the facilitation of systematic discussions on MOL's governance through the establishment of the council was a major achievement of fiscal 2021. The council also had fruitful discussions on such governance-related topics as cross-shareholdings, how outside directors should engage in dialogue with investors, and the training of directors.

Etsuko Katsu
Outside Director



We will further evolve governance to support MOL's major transition from a marine transport company to a social infrastructure group.

► Junichiro Ikeda

Reasons for and Aims of the Revisions of the Skills Matrix and the Director Remuneration Plan

Katsu The composition of the Board is one of the fundamental elements of governance. The Company has recently revised its skills matrix for directors. The Nomination Advisory Committee and the Corporate Governance Council were able to hold thorough discussions regarding the type of expertise that is lacking in the current Board and, with an eye on the Company's target profile, the type of expertise the Board should possess. Moreover, I believe that these initiatives were extremely effective in enhancing the transparency of MOL from an external viewpoint.

Ikeda In revising the skills matrix for directors recently, we advanced our approach by clearly separating and discussing experience and knowledge universally required in corporate management and experience and knowledge required in the management of a company that provides marine transport, which is a highly specialized industry. The previous skills matrix for directors did not differentiate clearly between these two types of experience and knowledge. As a result, we were able to renew our common understanding of the types of experience and knowledge that are truly needed by the senior management team of MOL as a social infrastructure group centered on marine transport.

We also deepened discussions on the types of knowledge that the Board should acquire going forward. Experience and knowledge are notably lacking in relation to technologies, including IT and DX skills.

Katsu Looking at the examples provided by other companies, some have chief digital officers on their boards of directors. Technologies and data analysis will be indispensable for the evolution of the Company's customer services. Also, having a Board that comprises members with different attributes and fields of activity is very good in the sense that discussions cover a range of opinions.

Of course, simply preparing a skills matrix is not the aim. Forming a Board that contributes to the sustainable growth of MOL is the key goal. For this reason, skills matrixes and succession plans overlap to a large degree. Currently, the Company has a succession plan for the CEO, but there are no clear succession plans for members of the Board and outside directors. Therefore, the Nomination Advisory Committee should discuss an officer appointment system that is linked to the skills matrix.

Ikeda You mentioned the need for succession plans for Board members. As well as utilizing the skills matrix in the appointment of Board members beginning from fiscal 2023 onward, we will cohesively manage succession plans in conjunction with a range of measures, including the training of existing directors and the development of future management personnel.

Katsu As succession plans are managed in such a way, I hope that the diversification of directors will also progress in terms of nationality, gender, age, and experience. In particular, the fundamental ideas about corporate management of non-Japanese executives are varied, and I think being exposed to opinions based on overseas perspectives will lead to new ideas.

Moving on to the revision of the director remuneration plan in fiscal 2021, the incorporation into the evaluation system of highly transparent financial indicators for single fiscal year performance-based remuneration and long-term target contribution-based remuneration was a major achievement. On the other hand, we spent considerable time discussing how to incorporate ESG indicators into the director remuneration plan in fiscal 2021, but this issue has been left unresolved. I hope that the Remuneration Advisory Committee will continue to discuss the issue in fiscal 2022.

Ikeda When we were discussing revision of the director remuneration plan, initially some suggested that we should incorporate ESG indicators. In fact, we included safety indicators in the director remuneration plan ahead of time. Meanwhile, an essential concept underpinning the director remuneration plan is that the adopted indicators must be closely linked to MOL's business performance and the

sustained enhancement of corporate value. I think just formally including indicators does not mean anything. While managing the MOL Sustainability Plan, announced in April 2022, I would like to spend a little more time assessing which type of indicators are appropriate.

Katsu With respect to both the skills matrix and the director remuneration plan, reaching decisions does not mean that the matters are closed. I think the key is to constantly monitor systems as the times and the Company should flexibly analyze the systems and explore various possibilities.

Creation of a Board of Directors That Functions Even More Favorably

Ikeda At the beginning of our conversation, I mentioned the importance of further evolving governance as the Company enters a new phase of growth. One of the issues related to this evolution is the position and role of the Board in the Company. To give one specific example, due to its institutional design, MOL has a Board that has for some time played a major role in execution. Consequently, the Board spends considerable time deliberating decisions on individual projects. On the other hand, I believe that we should strengthen the Board's primary roles, such as discussing the formulation of medium- to long-term strategies, the monitoring of investment progress, and Companywide risk management.

To secure time for such discussions and enhance the Board's effectiveness, we have been conducting Deliberation on Corporate Strategy and Vision (→ page 69) and transferring authority to the Executive Committee and below. However, I feel that these measures are reaching the limit of their usefulness. Although this is not an issue on which we can reach a conclusion immediately, we plan to proceed with discussions at the Corporate Governance Council including a review of institutional design.

Katsu I endorse this plan. The roles of MOL's Board are becoming increasingly focused on supervision and the examination and determination of strategy, and I think discussions on the type of governance that MOL should pursue, including optimal institutional design, will be extremely meaningful. I also strongly feel the need to further increase the opportunities for in-depth discussions on medium- to long-term strategies.

The recent changes in MOL and its business environment are one of the reasons why discussions on management strategies must be enhanced. Thanks to favorable business results in fiscal 2020 and fiscal 2021, the Group has accumulated a tremendous amount of cash. I believe that outside observers will be paying very close attention to how this cash is invested going forward and how the results of investments are monitored. In addition, environmental strategies are entering a critical phase. Given the numerous items that require analysis from a broad perspective—such as the outlook for global energy supply and demand, the wide range of alternative energy sources, and the reduction of CO₂ emissions—I think furthering discussions on environmental strategies, with reference to expert opinions, is necessary.

Ikeda Lastly, in enabling the Company to continue evolving its governance, I believe that my role as chairman of the Board is to manage it in ways that encourage lively discussions on long-term strategies. Further, I see my role as ensuring that the opinions expressed in these discussions are properly conveyed to Executive Committee members, that appropriate action is taken based on these opinions, and that feedback is provided to the Board on the results of these actions. To these ends, open communication between the Board and Executive Committee members is indispensable. Accordingly, I will actively play a bridging role between the two groups. I will also endeavor to improve the governance of the Company with reference to the recommendations you have provided today.

I feel that the Board of Directors is increasingly becoming a body that is focused on performing a supervisory role and examining and determining strategies.

► Etsuko Katsu

Board of Directors and Audit & Supervisory Board Members

(As of June 22, 2022)

Nomination Advisory Committee member

Remuneration Advisory Committee member

Internal Directors



Representative Director
Junichiro Ikeda
 Born 1956
 Number of the Company's shares held: 96,300 shares
 Attendance at the Board of Directors' meetings: 18 of 18 (Attendance rate: 100%)
 Number of years as Director: 9 years
 Apr. 1979 Joined Mitsui O.S.K. Lines, Ltd.
 Jun. 2004 General Manager of Human Resources Division
 Jun. 2007 General Manager of Liner Division
 Jun. 2008 Executive Officer
 Jun. 2010 Managing Executive Officer
 Jun. 2013 Director, Senior Managing Executive Officer
 Jun. 2015 Representative Director, President, Chief Executive Officer
 Apr. 2021 Representative Director, Chairman Executive Officer (to present)



Representative Director
Takeshi Hashimoto
 Born 1957
 Number of the Company's shares held: 44,700 shares
 Attendance at the Board of Directors' meetings: 18 of 18 (Attendance rate: 100%)
 Number of years as Director: 7 years
 Apr. 1982 Joined Mitsui O.S.K. Lines, Ltd.
 Jun. 2008 General Manager of LNG Carrier Division
 Jun. 2009 Executive Officer, General Manager of LNG Carrier Division
 Jun. 2011 Executive Officer
 Jun. 2012 Managing Executive Officer
 Jun. 2015 Director, Managing Executive Officer
 Apr. 2016 Director, Senior Managing Executive Officer
 Apr. 2019 Representative Director, Executive Vice President Executive Officer
 Apr. 2021 Representative Director, President, Chief Executive Officer (to present)



Representative Director
Toshiaki Tanaka
 Born 1960
 Number of the Company's shares held: 27,900 shares
 Attendance at the Board of Directors' meetings: 18 of 18 (Attendance rate: 100%)
 Number of years as Director: 2 years
 Apr. 1984 Joined Mitsui O.S.K. Lines, Ltd.
 Jun. 2011 General Manager of Iron Ore & Coal Carrier Division
 Jun. 2014 Executive Officer, General Manager of Iron Ore & Coal Carrier Division
 Jun. 2015 Executive Officer
 Apr. 2017 Managing Executive Officer
 Jun. 2020 Director, Managing Executive Officer
 Apr. 2021 Director, Senior Managing Executive Officer
 Apr. 2022 Representative Director, Executive Vice President Executive Officer (to present)



Director
Kenta Matsuzaka
 Born 1961
 Number of the Company's shares held: 32,100 shares
 Attendance at the Board of Directors' meetings: 15 of 15 (Attendance rate: 100%)
 Number of years as Director: 1 year
 Apr. 1984 Joined Mitsui O.S.K. Lines, Ltd.
 Jun. 2014 General Manager of LNG Carrier Division
 Jun. 2015 Executive Officer, General Manager of LNG Carrier Division
 Apr. 2017 Executive Officer
 Apr. 2018 Managing Executive Officer
 Apr. 2021 Senior Managing Executive Officer
 Jun. 2021 Director, Senior Managing Executive Officer (to present)



Director
Yutaka Hinooka
 Born 1961
 Number of the Company's shares held: 19,500 shares
 Attendance at the Board of Directors' meetings: 15 of 15 (Attendance rate: 100%)
 Number of years as Director: 1 year
 Apr. 1985 Joined Mitsui O.S.K. Lines, Ltd.
 Jun. 2012 General Manager of Liner Division
 Apr. 2016 Executive Officer, General Manager of Liner Division
 Apr. 2018 Executive Officer
 Apr. 2019 Managing Executive Officer
 Jun. 2021 Director, Managing Executive Officer
 Apr. 2022 Director, Senior Managing Executive Officer (to present)

Outside Directors



Outside Director (Independent Officer)
Hideto Fujii
 Number of the Company's shares held: 6,600 shares
 Attendance at the Board of Directors' meetings: 18 of 18 (Attendance rate: 100%)
 Number of years as Outside Director: 6 years
 Jun. 2015 Adviser, Sumitomo Corporation
 Jun. 2016 Outside Director, Mitsui O.S.K. Lines, Ltd.



Outside Director (Independent Officer)
Etsuko Katsu
 Number of the Company's shares held: 12,600 shares
 Attendance at the Board of Directors' meetings: 18 of 18 (Attendance rate: 100%)
 Number of years as Outside Director: 6 years
 Apr. 2003 Professor, School of Political Science and Economics, Meiji University
 Jun. 2016 Outside Director, Mitsui O.S.K. Lines, Ltd.
 Nov. 2016 Administrative Board Member, International Association of Universities (IAU)
 Apr. 2018 Chairman of Fund Management Advisory Committee, The Japan Foundation
 Mar. 2019 Outside Director (Audit and Supervisory Committee Member), Dentsu Group Inc.



Outside Director (Independent Officer)
Masaru Onishi
 Number of the Company's shares held: 9,000 shares
 Attendance at the Board of Directors' meetings: 18 of 18 (Attendance rate: 100%)
 Number of years as Outside Director: 3 years
 Apr. 2013 Trustee, KEIZAI DOYUKAI (Japan Association of Corporate Executives)
 Jun. 2015 Trustee, International University of Japan
 Jul. 2018 Visiting Professor, Toyo University
 Jun. 2019 Outside Director, TEIJIN LIMITED
 Jun. 2019 Outside Director, Mitsui O.S.K. Lines, Ltd.
 Feb. 2021 Senior Advisor, Alton Aviation Consultancy Japan Co., Ltd.
 Jun. 2021 Outside Director, Kadoya Sesame Mills Inc.

Please visit our website for details on the positions and duties of executive officers and Group executive officers.
<https://www.mol.co.jp/en/corporate/executive/index.html>

* Only important concurrent positions and certification registration years have been included in the resumes of outside directors and outside Audit & Supervisory Board members.

Internal Audit & Supervisory Board Members



Audit & Supervisory Board Member
Toshiaki Takeda
 Born 1964
 Attendance at the Board of Directors' meetings: 18 of 18 (Attendance rate: 100%)
 Attendance at the Audit & Supervisory Board Members' meetings: 11 of 11 (Attendance rate: 100%)
 Number of years as Audit & Supervisory Board Member: 3 years
 Apr. 1986 Joined Mitsui O.S.K. Lines, Ltd.
 Jun. 2015 General Manager of General Affairs Division
 Apr. 2018 General Manager of Secretaries & General Affairs Division
 Jun. 2019 Audit & Supervisory Board Member, Mitsui O.S.K. Lines, Ltd. (to present)



Audit & Supervisory Board Member
Masanori Kato
 Born 1961
 Attendance at the Board of Directors' meetings: 15 of 15 (Attendance rate: 100%)
 Attendance at the Audit & Supervisory Board Members' meetings: 9 of 9 (Attendance rate: 100%)
 Number of years as Audit & Supervisory Board Member: 1 year
 Nov. 1985 Joined Mitsui O.S.K. Lines, Ltd.
 Jun. 2013 General Manager of Marine Safety Division
 Apr. 2016 Executive Officer
 Apr. 2017 Managing Executive Officer
 Apr. 2021 Adviser
 Jun. 2021 Audit & Supervisory Board Member, Mitsui O.S.K. Lines, Ltd. (to present)

Outside Audit & Supervisory Board Members



Outside Audit & Supervisory Board Member (Independent Officer)
Junko Imura
 Attendance at the Board of Directors' meetings: 18 of 18 (Attendance rate: 100%)
 Attendance at the Audit & Supervisory Board Members' meetings: 11 of 11 (Attendance rate: 100%)
 Number of years as Outside Audit & Supervisory Board Member: 3 years
 Aug. 1994 Registered as a certified public accountant
 Sep. 2015 Visiting Professor, Tama Graduate School of Business
 Jul. 2018 Established Imura Accounting Office
 Jun. 2019 Outside Audit & Supervisory Board Member, Mitsui O.S.K. Lines, Ltd.
 Dec. 2019 Outside Audit & Supervisory Board Member, T. HASEGAWA CO., LTD.
 Jun. 2020 Outside Director, Audit and Supervisory Committee Member, Mitsubishi UFJ Trust and Banking Corporation



Outside Audit & Supervisory Board Member (Independent Officer)
Satoru Mitsumori
 Attendance at the Board of Directors' meetings: -
 Attendance at the Audit & Supervisory Board Members' meetings: -
 Number of years as Outside Audit & Supervisory Board Member: -
 Apr. 1993 Registered as an attorney at law at Daini Tokyo Bar Association
 Joined Asahi Law Offices (currently serves as Managing Partner)
 Apr. 2008 Family Affairs Conciliator, Tokyo Family Court
 Oct. 2011 Extraordinary Member, Government Panel Addressing Disputes Over Compensation for Nuclear Accidents
 Apr. 2018 Audit & Supervisory Board Member, Kur & Hotel Co., Ltd.
 Jun. 2022 Outside Audit & Supervisory Board Member, Mitsui O.S.K. Lines, Ltd.

Specific Experience, Expertise, and Skills Expected of Members of the Board of Directors

(For details on revisions implemented at the end of fiscal 2021, please refer to page 59.)

		Experience, etc., considered important for corporations					Experience, etc., considered important for corporations supporting social infrastructure			
		Corporate management	Finance / Accounting	Legal affairs / Risk management	ESG	Human resources / Diversity	Safety	Technology	Marketing / Business strategy	Global business
Board of Directors	Internal	Junichiro Ikeda Representative Director	●		●	●	●	●		●
		Takeshi Hashimoto Representative Director	●	●	●	●	●		●	●
		Toshiaki Tanaka Representative Director	●			●		●		●
Board of Directors	Outside	Kenta Matsuzaka Director				●	●		●	
		Yutaka Hinooka Director		●	●			●	●	●
		Hideto Fujii Outside Director	●	●	●	●				
Board of Directors	Outside	Etsuko Katsu Outside Director		●		●	●			●
		Masaru Onishi Outside Director	●					●	●	●
	Audit & Supervisory Board members	Internal	Toshiaki Takeda Audit & Supervisory Board Member			●	●	●		
		Masanori Kato Audit & Supervisory Board Member			●	●	●	●		
Outside		Junko Imura Audit & Supervisory Board Member		●	●	●	●			
	Satoru Mitsumori Audit & Supervisory Board Member	●		●	●	●				

Corporate Governance

Corporate Governance as the Foundation of Business Management

At the same time as being one of the MOL Group's five Sustainability Issues, corporate governance provides a foundation for the other four Sustainability Issues and for the implementation of Rolling Plan 2022. In recent years, the Company's business structure has become more complex. In addition to its simple, long-standing business model of transporting goods from one point to another, the Company has entered into such upstream and downstream areas as FPSOs and FSRUs. The Company is building a system that enables

the Board of Directors, the Executive Committee, and other bodies and councils to fulfill required functions and roles, such as establishing Companywide strategies, identifying fields for new forays, determining resource allocation, screening individual investments and businesses, and managing and monitoring risk as well as ensuring that the initiatives implemented in relation to such matters help address the Sustainability Issues.

Corporate Governance Structure

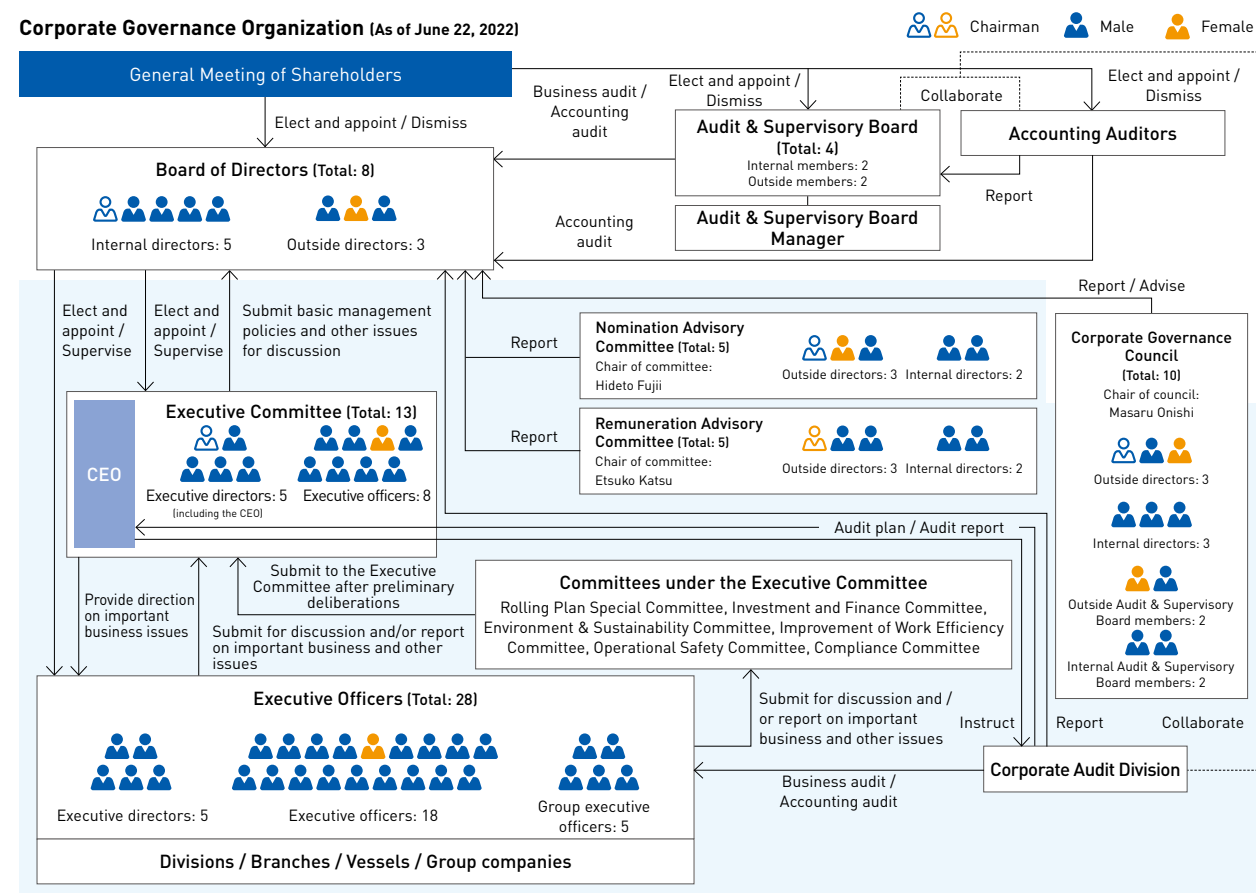
In addition to the audit functions performed by the Audit & Supervisory Board, which is independent from the Board of Directors, the Board of Directors comprises internal directors, who are also responsible for the execution of business operations, and outside directors, who specialize in supervisory functions. MOL realizes operations that are legally compliant, appropriate, and efficient by ensuring that the supervisory capabilities of the Board of Directors are effective.

In fiscal 2021, the Corporate Governance Council was established under the Board of Directors to serve as a forum

for facilitating unrestricted discussion and incorporating outside knowledge with respect to overall issues related to the enhancement and strengthening of the corporate governance structure. The council is helping to improve the effectiveness of the Board of Directors by providing it with reports and recommendations. Further, the Company complies with all principles of Japan's Corporate Governance Code.

For details, please refer to the corporate governance report <https://www.mol.co.jp/en/sustainability/governance/corporate/report/pdf/governance.pdf?v=0622>

Corporate Governance Organization (As of June 22, 2022)



Major Organizations

Board of Directors

As the central decision-making body of the Company, the Board of Directors deliberates and adopts resolutions on basic policies and the most important matters in relation to the business management of the MOL Group. The Board of Directors is focused on supervision and the analysis of strategy, with deliberation and decisions on individual issues delegated to the Executive Committee as much as possible. Specifically, one hour of each three-hour meeting of the Board of Directors is devoted to Deliberation on Corporate Strategy and Vision, in which one topic related to management strategy, the long-term vision, or general management is discussed, and internal

directors, outside directors, and outside Audit & Supervisory Board members participate in a free exchange of opinions. (For details on the main agenda items discussed, please see page 69.) These exchanges of opinions are utilized in the formulation of each fiscal year's management plan. Moreover, since fiscal 2018 Board member discussion sessions have been held as required after meetings of the Board of Directors to provide an opportunity for early information sharing and discussion on important matters that have yet to reach the stage of being formally submitted as agenda items.

Audit & Supervisory Board

The Audit & Supervisory Board draws up audit plans and reports and shares the results of audits. All Audit & Supervisory Board members attend meetings of the Board of Directors, and full-time members also attend Executive Committee and other committee meetings to audit the

deliberation and decision-making processes. By combining the information held by the full-time members with the high level of specialized expertise of the outside members, MOL has created a system that ensures the active exercise of authority from an objective standpoint.

Nomination Advisory Committee and Remuneration Advisory Committee

The Nomination Advisory and Remuneration Advisory committees have been voluntarily established as organizations under the Board of Directors. Nominating candidates for the position of director and formulating proposals on remuneration are fundamental corporate governance functions, and the establishment of these organizations is intended to facilitate in-depth deliberations by expert committees. Both committees are chaired by outside directors and are composed of

three outside directors, the chairman, and the CEO. The Nomination Advisory Committee deliberates the election, appointment, and dismissal of directors and executive officers. From an objective standpoint, the Remuneration Advisory Committee examines director remuneration, including incentives for the long-term enhancement of corporate value.

Main Agenda Items Deliberated by the Advisory Committees in Fiscal 2021

Nomination Advisory Committee (convened six times)

Chair of committee: Masaru Onishi (outside director)

Main Agenda Items

- Target profile, composition, and skills matrix of the Board of Directors
- Selection of the next CEO based on the succession plan for the CEO and the method of selecting a successor in the event of an emergency
- Appointment of fiscal 2022 directors, Audit & Supervisory Board members, and executive officers
- Election, appointment, and dismissal of Audit & Supervisory Board members and other matters

Remuneration Advisory Committee (convened nine times)

Chair of committee: Hideto Fujii (outside director)

Main Agenda Items

- Fiscal 2020 director bonuses and fiscal 2021 director remuneration
- Revision of the remuneration plan for non-executive directors
- Analysis of the peer group to ensure the appropriateness of remuneration levels
- Policy for decisions on such matters as the remuneration of individual directors and other matters

Corporate Governance Council

With the aim of enhancing and strengthening the corporate governance structure, the Corporate Governance Council was established under the Board of Directors in fiscal 2021 to serve as a forum for facilitating specialized ongoing discussions on corporate governance that incorporate outside knowledge. Appointed by the Board of Directors, the council's members comprise three internal directors, all three outside directors, and all four Audit & Supervisory Board members. The council has a high degree of expertise and objectivity. In addition to being chaired by an outside director, the council is able to appoint outside experts and have them participate in deliberations.

Main Agenda Items Deliberated by the Corporate Governance Council (convened four times in fiscal 2021)

Chair of council: Etsuko Katsu (outside director)

- Role of the Corporate Governance Council and selection of topics for deliberation
- Identification of corporate governance issues in the MOL Group in light of revisions to Japan's Corporate Governance Code
- Revision of internal rules to secure time for deliberations by the Board of Directors
- Various issues (cross-shareholdings and improvement of the skills of directors and Audit & Supervisory Board members) and other matters

Executive Committee and Committees under the Executive Committee

Within the scope of the basic policy approved by the Board of Directors, MOL transfers a significant amount of authority to conduct businesses to the Executive Committee. This helps to expedite decision-making on individual matters. Six committees exist under the Executive Committee to study and deliberate particularly important matters which are brought to the Executive Committee, as well as cross-divisional propositions.

Appointment and Dismissal Procedures of Directors and Audit & Supervisory Board Members

The Nomination Advisory Committee has been established to heighten the objectivity, transparency, and accountability of the selection procedures of directors and Audit & Supervisory Board members. The committee submits reports to the Board of Directors after selecting candidates in light of standards established by the committee on gender equality and other issues as well as the experience, expertise, and skills deemed desirable for members of the Board of Directors, which were identified in the form of a renewed skills matrix at the end of fiscal 2021. (Reports on candidates for the position of Audit & Supervisory Board member are submitted upon receiving the consent of the Audit & Supervisory Board.)

To strengthen audit functions, outside Audit & Supervisory Board members also attend meetings of the Nomination Advisory Committee and can state opinions.

With due consideration for the reports submitted by the Nomination Advisory Committee, the Board of Directors determines candidate directors and candidate Audit & Supervisory Board members.

- ▶ **Standards for Appointing Directors**
 - a) Personnel who are able to contribute to enhancement of the corporate value of the Company based on a wealth of experience and knowledge
 - b) Personnel who are able to make management decisions globally from a broad-ranged perspective and foresight
 - c) Personnel with high ethical standards and solid common sense
- ▶ **Standards for Appointing Audit & Supervisory Board Members**
 - a) Personnel who have an appropriate set of experience, qualification, ability, and expertise
 - b) Personnel who possess a high degree of financial and accounting knowledge (more than one member)

CEO Succession Plan

To ensure the appointment of a suitable CEO in a timely and appropriate manner, in fiscal 2019 the Company formulated a CEO succession plan that establishes the requirements and selection process in relation to the position of CEO as well as a development plan for successor candidates.

Based on the succession plan, the Nomination Advisory Committee deliberates proposals for the next CEO, including

the re-appointment and dismissal of the incumbent CEO, and submits reports to the Board of Directors.

Based on the aforementioned plan, in fiscal 2021 the Nomination Advisory Committee deliberated the selection of candidates for the next CEO and selection reasons, a development strategy, and a method of selecting a successor in the event of an emergency.

Independence Criteria for Outside Officers

The Company has established the following criteria for the independence of outside directors and outside Audit & Supervisory Board members. With reference to said criteria, all incumbent outside directors and outside Audit & Supervisory Board members are deemed to have independence.

▶ Independence Criteria

The Company deems a person to have independence if none of the following items of the independence criteria is applicable to them.

- 1 A person who is an executing person of the Company or its subsidiaries or a person who has served as an executing person of the Company or its subsidiaries during the past 10 years
- 2 A current major shareholder of the Company; an executing person of such a shareholder; or a person who has fallen under either category during the past three years
- 3 An executing person of a company in which the MOL Group directly or indirectly holds 10.0% or more of the total voting rights or a person who has fallen under this category during the past three years
- 4 An executing person of a company that has accepted a director from the MOL Group; an executing person of the parent company or a subsidiary of such a company; or a person who was an executing person of any such company during the past three years
- 5 An executing person of a financial institution or other major creditor that is essential to the MOL Group's financing to the extent of being irreplaceable or an executing person of the parent company or a major subsidiary of such a financial institution or other major creditor
- 6 A party for whom the MOL Group is a major business partner; if the party is a company, an executing person of the company or of its parent company or major subsidiary; or a person who was an executing person of any such company during the past three years
- 7 A major business partner of the MOL Group; if the business partner is a company, an executing person of the company or of its parent company or major subsidiary; or a person who was an executing person of any such company during the past three years
- 8 A person who is an accounting auditor of the MOL Group; an employee of such an accounting auditor; or a person who has fallen under either category during the past three years
- 9 A consultant, an accounting professional, or a legal professional to whom the MOL Group provides remuneration that is in the form of significant sums of money or other assets and does not include the remuneration of directors or a person who has fallen under any of these categories during the past three years
- 10 A person to whom the MOL Group provides donations or grants exceeding a certain amount or a person who has fallen under this category during the past three years
- 11 A close relative of a person to whom any of the aforementioned items 1 through 10 is applicable
- 12 Any other person who may have a conflict of interest with general shareholders and whose circumstances can reasonably be deemed to prevent the person from fulfilling duties as an independent outside officer

For details on Independence Criteria for Outside Officers, please refer to the following: **Criteria for Outside Officers, page 19, Notice of Convocation of the Ordinary General Meeting of Shareholders for fiscal 2021**
<https://www.mol.co.jp/en/ir/stock/gms/pdf/notice22.pdf>

Initiatives for the Realization of the Functions of Outside Directors and Outside Audit & Supervisory Board Members

Support provided to outside directors and outside Audit & Supervisory Board members in fiscal 2021

- Implementation of training for officers
- Provision of prior explanations in person or in writing of matters to be discussed by or reported to the Board of Directors as well as the acceptance of questions from directors and Audit & Supervisory Board members and the provision in advance of responses from the executive officers in charge

Major activities of outside directors and outside Audit & Supervisory Board members in fiscal 2021

- Lectures and discussions at management schools
- Participation in naming and delivery ceremonies for new vessels
- Participation in the safe operation campaign

Initiatives to Enhance the Effectiveness of the Board of Directors

Evaluation of the Effectiveness of the Board of Directors

With the aim of further increasing the effectiveness of the Board of Directors and its subordinate committees—namely, the Nomination Advisory and Remuneration Advisory committees and the Corporate Governance Council—the Company conducts an annual survey, which seeks self-evaluations from each director and Audit & Supervisory Board member regarding the content of agenda items and deliberations, the contribution of each member of the Board of Directors, and the management and administration of its activities. The results of this analysis and evaluation as well as the identification of issues and the analysis and implementation of improvement measures are incorporated into a one-year schedule.

Summary of Survey Implementation	Respondents 13 officers, comprising all directors (six internal directors and three outside directors) and all Audit & Supervisory Board members (two full-time Audit & Supervisory Board members and two outside Audit & Supervisory Board members)	Implementation and Evaluation Method February 2022 Provision of effectiveness evaluation survey to all directors and Audit & Supervisory Board members April 2022 Discussion at the Corporate Governance Council based on the results April 2022 At a meeting of the Board of Directors, separate reports and discussions on items for which effectiveness was established, on items identified as issues, and on items to be addressed in fiscal 2022	Main Items in Self-Assessment Survey • Overall assessment of the Board of Directors (composition, administration, management plans, risk management system, internal control, compliance, sustainability-related items, nomination, and remuneration) • Content of fiscal 2021 initiatives —Effectiveness of Deliberation on Corporate Strategy and Vision —Effectiveness of the Nomination Advisory and Remuneration Advisory committees —Effectiveness of the Corporate Governance Council —Mutual supervision and monitoring among directors and Audit & Supervisory Board members
	Results of Fiscal 2021 Evaluation	Items for Which Effectiveness Was Established 1 The Board of Directors deliberated individual issues based on the MOL Group Corporate Mission, the MOL Group Vision, and the MOL CHARTS values as well as the general goals of the management plan. Also, in Deliberation on Corporate Strategy and Vision, sufficient time for the discussion of management strategies and individual business strategies was secured, and the Board of Directors played an effective role in the execution of respective strategies. 2 The deliberations of the Nomination Advisory and Remuneration Advisory committees were reported in a transparent and objective manner to the Board of Directors. In addition, both advisory committees and the Corporate Governance Council convened with an appropriate frequency and certain progress was achieved. 3 Supervision was appropriate, including mutual monitoring and checks among directors and Audit & Supervisory Board members.	Issues Recognized by the Board of Directors 1 Ongoing initiatives that are based on discussion of the new skills matrix which ensure the skills and diversity needed for the Board of Directors 2 Selection of issues that really need discussion by the Board of Directors and measures to secure the time for the deliberation of such issues (need for continuous discussion on the management and administration of the activities of the Board of Directors as well as the delegation of authority and organizational design) 3 Clarification of approach to the cost of capital and continuous discussion on the allocation of resources, including human capital, intellectual property, and safety management 4 Continuous discussion on the Groupwide governance structure, risk mapping, and internal control
Fiscal 2022 Initiatives	1 Use the Corporate Governance Council as a forum to fully discuss the selection of issues that should really be discussed at meetings of the Board of Directors (Deliberation on Corporate Strategy and Vision) 2 Make structural improvements that help enhance deliberations (delegation of authority, organizational design, and enhancement of the participation and contribution of each director and Audit & Supervisory Board member) 3 Establish a road map for the realization of a Board of Directors whose composition is based on the new skills matrix 4 Establish a basic policy on corporate governance for the MOL Group		

Deliberation on Corporate Strategy and Vision

Beginning in fiscal 2021, the agenda items shown in the table below were selected and deliberated. The deliberation at meetings of the Board of Directors of overall issues related to the management plan and the MOL Group Vision facilitates effective deliberation of individual business issues. In light of deliberations at meetings of the Board of Directors, Nomination Advisory and Remuneration Advisory committees, and Corporate Governance Council, the Company establishes appropriate topics and ensures that Deliberation on Corporate Strategy and Vision contributes to the enhancement of corporate value.

Main Agenda Items of Deliberation on Corporate Strategy and Vision Conducted by the Board of Directors in Fiscal 2021

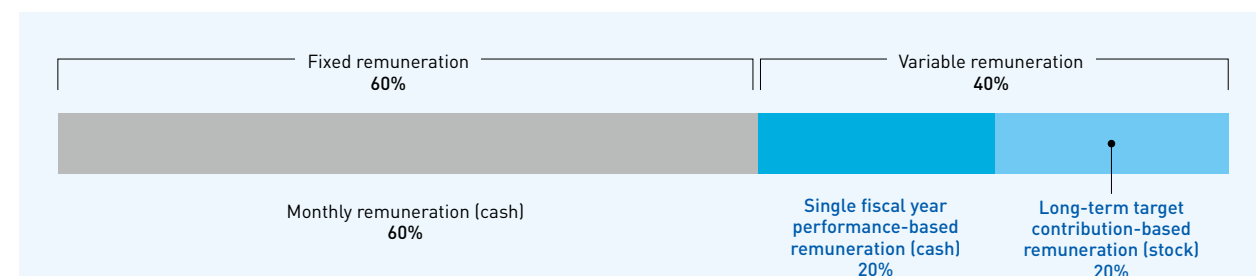
Month and Year	Agenda Item	Month and Year	Agenda Item
April 2021	Outlook for the containership business	October 2021	Strategy of the dry bulk business
May 2021	Outlook for the real property business	December 2021	Goals of the next management plan
July 2021	Plans for the domestic terminal business	January 2022	General assessment of overall risks (risk mapping)
September 2021	Portfolio and investment strategy	April 2022	Diversity of human resources

Remuneration Plan for Directors and Audit & Supervisory Board Members

Remuneration of Executive Directors

Given the business characteristics of marine transport, contribution to the enhancement of both short-term performance and medium- to long-term performance is expected. Accordingly, the remuneration of executive directors comprises monthly remuneration, single fiscal year performance-based remuneration, and long-term target contribution-based remuneration. (The Company changed to the current remuneration plan in fiscal 2021.)

Model Remuneration Assuming Achievement of Performance Targets



Note: The above diagram is an approximation that has been calculated premised on certain Company performance and share price levels. The above percentages change in accordance with the Company's business performance and share price.

Monthly Remuneration (Cash)	Monthly remuneration is paid as a fixed remuneration based on responsibilities to encourage robust business execution.
Single Fiscal Year Performance-Based Remuneration (Cash)	Single fiscal year performance-based remuneration links remuneration to consolidated ordinary profit, which is a performance indicator set out in the Rolling Plan, thereby incentivizing achievement of the plan's goals. This type of remuneration also links remuneration to the safe operations KPI and the 4 ZEROES benchmark, thereby reflecting safety in evaluations and fostering a greater awareness of safety. In addition, to provide an incentive for directors to improve the performance of the business divisions for which they are responsible, in addition to Companywide performance the degree of achievement of the profit targets of respective business divisions is reflected in the amount paid.
Long-Term Target Contribution-Based Remuneration (Stock)	MOL has introduced a performance-linked stock remuneration system with the objective of aligning the interests of directors more closely with those of shareholders by increasing the number of Company shares that directors own and with the objective of linking remuneration to the Company's medium- to long-term share price and performance. Under this system, stock is granted based on the degree of achievement of predetermined share price indicators as well as earnings benchmarks and targets over a certain time frame. A portion of this remuneration is paid in cash as a source of funds for income tax payments by the director.

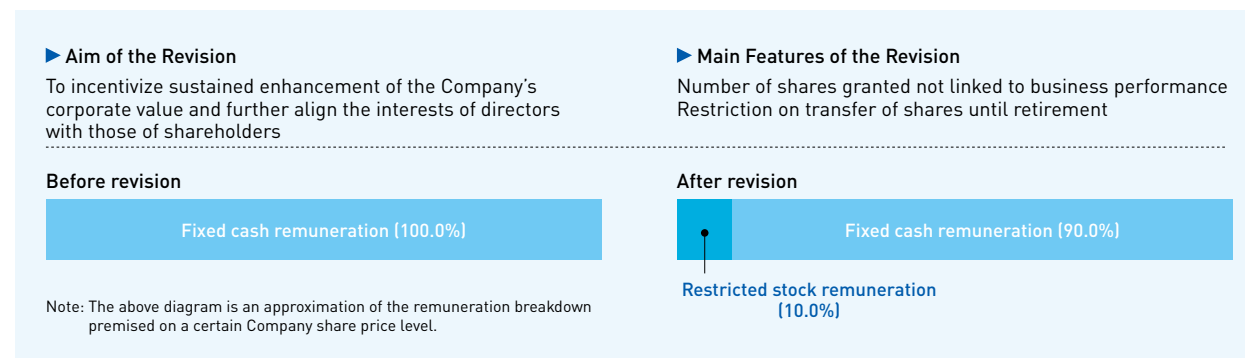
In fiscal 2021, the degrees of achievement of KPIs, which were used as the basis of the calculation of single fiscal year performance-based remuneration and long-term target contribution-based remuneration, were as shown in the table below.

KPI	Weight	Targets and KPIs of Rolling Plan 2021 and the MOL Sustainability Plan		Fiscal 2021 Results	Calculation Results and Total Payment
		Target	Actual		
Single Fiscal Year Performance-Based Remuneration	(A) Consolidated ordinary profit (loss)	• ¥100.0 billion	• ¥721.7 billion	¥656.0 million	
	(B) Ordinary profit (loss) by division	• Dry bulk business: ¥13.0 billion	• ¥43.2 billion		
		• Energy and offshore businesses: ¥26.0 billion	• ¥19.8 billion		
		• Product transport business: ¥55.0 billion	• ¥62.9 billion		
		• Associated businesses: ¥10.0 billion	• ¥7.4 billion		
	(C) Degree of achievement of safe operations indicators	• 4 ZEROES violations: 0	• 5 (violations accompanying 3 accidents)		
		• Downtime frequency rate: ≤ 1.00 incident per ship per year	• 0.29		
• Average downtime: ≤ 24.00 hours per ship per year		• 25.34			
Long-Term Target Contribution-Based Remuneration	Total shareholder return* (growth rate versus TOPIX and growth rate of total shareholder return versus competitors)	—	• Growth rate versus TOPIX: 208.7%	¥157.0 million	
	ROE	• Fiscal 2021 (initial projection): 15.0% • Fiscal 2027 (target): 10.0–12.0%	• 76.5%		
	Targets for individual directors	—	• Execution of Rolling Plan 2021 • Improvement of financial strength • Conversion of DAIBIRU and Utoc into wholly owned subsidiaries Etc. (set according to each director's field of responsibility)		

* The total of capital gains and dividends

Remuneration of Non-Executive Directors

Upon receiving the approval of the General Meeting of Shareholders convened in June 2022, in fiscal 2022 the Company began providing remuneration in the form of Company stock to non-executive directors, including outside directors.



Fiscal 2022 Stock Remuneration

► Shares of common stock **1,485** ► **¥3,030.00** per share ► Total stock remuneration **¥4,499,550**

Remuneration of Audit & Supervisory Board Members

The breadth of knowledge required of Audit & Supervisory Board members and the gravity of their responsibilities are increasing due to the expansion of the Company's business domain from traditional marine transport to encompass non-marine transport businesses—including offshore, logistics, and real property businesses—and due to changes in quality and quantity of the Company's risk exposure, which reflects a rise in the levels of social responsibility that corporations are expected to meet. Against this backdrop, the Company has increased the remuneration limit of Audit & Supervisory Board members from ¥9.0 million per month to ¥12.0 million per month, the first time this limit has been changed in 17 years.

Remuneration for Directors and Audit & Supervisory Board Members in Fiscal 2021

Category	Number of people	Total remuneration (millions of yen)	Total remuneration, by type (millions of yen)		
			Basic remuneration Monthly remuneration (cash)	Performance-based remuneration Single fiscal year performance-based remuneration (cash)	Non-monetary remuneration Performance-linked stock remuneration (stock-based)
Directors (of whom outside directors)	9 (3)	1,175 (41)	362 (41)	656 (0)	157 (0)
Audit & Supervisory Board members (of whom outside Audit & Supervisory Board members)	5 (2)	95 (24)	95 (24)	— (—)	— (—)
Total (of whom outside directors or outside Audit & Supervisory Board members)	14 (5)	1,270 (65)	457 (65)	656 (0)	157 (0)

Notes:
1. The above remuneration includes remuneration related to one Audit & Supervisory Board member who was not an outside Audit & Supervisory Board member and who resigned at the conclusion of the Ordinary General Meeting of Shareholders convened on June 22, 2021.
2. Amounts of less than ¥1.0 million have been rounded down to the nearest ¥1.0 million.

Overview of Risk Management

As a company engaged in a wide range of operations around the world, MOL is exposed to a variety of risks. In addition to overseeing a risk management system, the Board of Directors identifies new risks that need to be better managed and formulates risk-related policies through the Corporate Governance Council and through Deliberation on Corporate Strategy and Vision.

As shown in the table below, divisions are assigned to each individual risk, and pursuant with specific internal rules and regulations each risk is quantified and risk mitigation measures are taken, including the reduction of exposure

through hedging and the transfer of risk through insurance. In normal times, relevant business divisions submit proposals and reports on individual measures to the Executive Committee and its subordinate committees, which enables an understanding of and decision-making in relation to risks throughout the Company. In the event of an emergency, the CEO serves as director general, establishes a response headquarters that comprises the core members of the Executive Committee as well as related executive officers and general managers, and ensures an appropriate and prompt response to the situation.

Major Risks in Business Operations

Risk	Responsible Division	Key Management Rules and Guidelines
Operational risks	Marine Safety Division Marine Technical Management Division Liquefied Gas Ship Management Strategies Division Legal Division	Rules for Headquarters of Crisis Control, Rules for Headquarters of Emergency Control for Serious Marine Incidents, and manuals established by respective ship management companies
Shipping market fluctuation risks, customer credit risks, and country risks	Corporate Planning Division	Asset Risk Control, Market risk management rules
Exchange rate, interest rate, and bunker price fluctuation risks	Finance Division (exchange rates, interest rates) Bunker Business Division (bunker prices)	Market risk management rules
Climate change risks	Environment & Sustainability Strategy Division	MOL Group Environmental Policy Statement, MOL Group Environmental Vision 2.1
Cybersecurity risks	MOL Information Systems, Ltd.	ICT governance rules, ICT security rules, and Critical ICT Incident Response Team Regulations
Natural disaster and epidemic risks	Secretaries & General Affairs Division and Marine Safety Division	Rules for Crisis Management Office, Rules for Headquarters of Emergency Control for Disaster and Pandemic, and MOL BCP summary
Compliance risks	Corporate Audit Division Divisions responsible for Group company management	Compliance rules, Group company management rules, Internal audit rules
Risks related to human rights and various risks in the value chain	Environment & Sustainability Strategy Division Human Resources Division	MOL Group Human Rights Policy, MOL Group Basic Procurement Policy, MOL Group Supplier Procurement Guidelines, Declaration of Harassment Prevention, Compliance rules, and Rules of Conduct

Measures to Upgrade Risk Management

MOL faces risks stemming from changes in the value of its assets, which are the source of the Company's business returns, due to fluctuations in the shipping market. With such risks in mind, in fiscal 2014 we introduced a framework for Total Risk Control, renamed Asset Risk Control in fiscal 2022. Under the framework, quantitative evaluations of risk are conducted by verifying the adequacy of shareholders' equity levels relative to the amount of value at risk (VaR). Moreover, the Board of Directors and the Executive Committee regularly review these evaluations. (For details, please see page 27 as well as "Shipping Market Fluctuation Risks, Customer Credit Risks, and Country Risks" on the opposite page.)

Further, we are continuing to upgrade administration systems for risks related to project and ship management, the business continuity plan (BCP), and compliance. Based on the experience of responding to an oil spill off Mauritius caused in August 2020 by the chartered vessel WAKASHIO, in 2021 we stipulated the establishment of a Headquarters of Crisis

Control in the event of the actualization of a risk event that could significantly impact the business activities of the Group. In such a contingency, this headquarters will strive to ensure the continuity of the Group's businesses, maintain corporate value, and implement appropriate countermeasures based on due consideration for social impact. We have also launched an endeavor focused on establishing a risk assessment process for the periodic identification and evaluation of the risks faced by certain Group companies.

In addition, we aim to introduce a system that enables overall analysis of geopolitical risks and sustainability-related risks—both of which are becoming increasingly important due to changes in the external environment—and produces results that can be used in management decision-making. In 2022, the Board of Directors conducted deliberations focused on an overall assessment of risks and began exploring the establishment of Companywide risk mapping.

Risk Management-Strengthening Measures to Date

Fiscal 2014	<ul style="list-style-type: none"> Introduced Total Risk Control (now named Asset Risk Control) 	Fiscal 2021 <ul style="list-style-type: none"> Prepared MOL Group Environmental Vision 2.1 Introduced internal carbon pricing Established a crisis response framework Began strengthening initiatives for chartered vessel owners Began analysis aimed at upgrading Companywide risk management*1 Began analysis with a view to strengthening Group company risk management
Fiscal 2017–Fiscal 2018	<ul style="list-style-type: none"> Revised Total Risk Control (Increased the consistency of investment criteria) 	
Fiscal 2018	<ul style="list-style-type: none"> Introduced risk summary sheets for deliberations of the Board of Directors 	
Fiscal 2019	<ul style="list-style-type: none"> Promoted the introduction of a fuel surcharge in preparation for stricter SOx regulations 	

*1 Risk mapping designed to identify overall risks and prioritize responses

Summary of Major Risks and Countermeasures

Risks Associated with Operations

Centered on marine transport, MOL operates roughly 800 vessels and offshore plants, and these vessels and plants are of many different types. As a company that provides social infrastructure, some of the most serious risks we face are damage to ships and cargo or injury to crew members caused by vessel collisions, ships running aground, fires and other accidents, as well as environmental pollution from leakage of cargo oil and bunker oil (oil spills). To prevent accidents from occurring, without regard to owned vessels or chartered vessels, MOL's Headquarters of Safety Operations, sales divisions, shipowners (for chartered vessels), and ship management companies work closely together on tangible and intangible aspects of safety, from training and supervising crew members to adoption of safety standard specifications which effectively maintain the safety of our vessels. We also make a variety of preparations to counter the dangers of piracy and terrorism by providing

sufficient training, putting in place precise operational rules, providing support from our Head Office, and installing necessary facilities.

Even in the event of an accident that could not be avoided despite our best efforts, involving damage to MOL or related parties, the Company is prepared with insurance policies that have the necessary amount of coverage (general liability insurance, hull and machinery insurance, war-risk insurance, loss of hire insurance) in order to secure adequate funds for any compensation and to avoid a major impact on the Company's business performance.

To mitigate reputational risk, MOL implements emergency response training once a year for major maritime accidents, responding to the media and disclosing information about the accident. Media consultants are hired when necessary.

Shipping Market Fluctuation Risks, Customer Credit Risks, and Country Risks

Another fundamental risk on a par with accidents in the marine transport business is the risk of fluctuations in the shipping market. To prevent excessive market risks, we manage risks by (1) limiting the total amount of risks, (2) dispersing risks, and (3) reducing the amount of risks during each fiscal year.

To limit total risk exposure, we take steps to obtain medium- to long-term contracts with domestic and overseas customers that are highly creditworthy. In addition to narrowing down the portion of the fleet that is exposed to the market, we work to minimize risks by setting vessel charter periods from shipowners to coincide with periods of contracts with customers, thus neutralizing our exposure to market fluctuation. When investing in vessels not allocated under medium- to long-term agreements, we carefully monitor future vessel supply-demand balance and selectively execute such investments.

To disperse risk, we use portfolio management that develops a fleet comprising diverse types of vessels subject to different patterns of market fluctuation. This approach helps us to balance market risk across divisions, compensating for peaks and troughs.

Last, we reduce the amount of risks during each fiscal year by using freight forwarding agreements (FFAs) to hedge risk on vessel types such as Capesize bulkers and VLCCs. We secure stable profits by reducing market exposure during each fiscal year.

We manage our total amount of shipping market risks with a method we uniquely developed, called Asset Risk Control (→ page 27), to periodically measure and control risks so that it does not become excessive in comparison with shareholders' equity.

Exchange Rate, Interest Rate, and Bunker Price Fluctuation Risks

Exchange Rates
While the revenues of the Group's core oceangoing marine transport business are mostly in U.S. dollars, some costs and borrowings are on a Japanese yen basis, presenting an exchange rate risk. MOL strives to limit its exposure by dollarizing costs and borrowings. To reduce this risk further, we also flexibly employ foreign exchange hedging to limit profit sensitivity.

Interest Rates
The MOL Group is constantly investing capital to build new ships and replace existing ones. When securing long-term funding for capital investment, in principle we hedge interest rate risk by using fixed-rate loans or interest rate swaps.


Bunker Prices
Bunker costs represent a large portion of ship operating costs, and in the past, price fluctuations had a significant impact on the MOL Group's profits. However, currently, most medium- to long-term contracts with customers contain bunker adjustment factor or bunker price surcharge clauses that have the customer shoulder the risk of bunker price fluctuations. For short-term contracts, we work out freight rates reflecting bunker prices at the time, or employ a formula to adjust freight rates that take into account changes in bunker prices. For the remaining exposure, we work to reduce the risk amount by using bunker forward trading. With these countermeasures, the impact of bunker price fluctuations on profit and loss is now very limited.

Climate Change Risks

By causing more severe weather and sea events, climate change such as global warming can present a danger to safe ship operations. The movement toward decarbonization to combat climate change has the potential to drastically change the business environment for MOL, which requires large volumes of bunker oil and transports various kinds of fossil energy as a main cargo, in the context of higher costs to comply with public regulations and a structural reduction in transport demand.

Under MOL Group Environmental Vision 2.1, which is in tune with these trends, MOL aims to achieve net zero GHG emissions by 2050. The Company has formulated and

disclosed a road map for achieving this goal, and is now in the process of introducing clean alternative fuels and energy-saving technologies while increasing the sophistication of efficient fleet operations. By developing and providing solutions for alternative fuel transportation and low-carbon or decarbonization technology, MOL views this change as a business opportunity as decarbonization stimulates new demand. The MOL Group uses a TCFD framework to visualize its climate change risks and formulate related policies.

 For details, please see "Conservation for Marine and Global Environment" on pages 46 to 49.

Cybersecurity Risks

MOL aims to prevent security incidents by implementing the following measures to counter cybersecurity risks that have increased in recent years. In the event one occurs, we will take steps to minimize any adverse effects.

- ① Create organization dedicated to cybersecurity, and establish a response system for serious ICT incidents (strengthen collaboration across worldwide Group companies, including operating vessels)
- ② Standardizing internal regulations, security tools, IoT environment updates, and operations within the Group
- ③ Assess Groupwide cyber risks and execute countermeasures
- ④ Implement e-learning and targeted email training to improve security awareness and literacy of executives and employees
- ⑤ To quickly gather information, coordinate with National Center of Incident Readiness and Strategy for Cybersecurity (NISC), JPCERT, Tokyo Metropolitan Police Department, Transportation ISAC Japan, and Nippon CSIRT Association
- ⑥ Other: Build a cybersecurity management system (CSMS) for operating vessels that complies with international rules, strengthen network security with cloud security services, and assess and devise countermeasures for ransomware

 For details on information security, please visit our website.
<https://www.mol.co.jp/en/sustainability/governance/security/index.html>

Natural Disaster and Epidemic Risks

To keep vessels operating even in the event of major earthquakes or other natural disasters and to fulfill our social role of maintaining supply chains, we have formulated a BCP manual and introduced satellite offices and backup systems, and also provide ample training. We have completed the distribution of notebook PCs to all executives and employees and put remote working environments in place that use cloud-based tools. In response to the ongoing COVID-19 pandemic that started at the outset of 2020, in February 2020 MOL quickly launched a response headquarters led by an

executive vice president. We implemented a range of measures to simultaneously ensure (1) securing the safety of related parties, and reducing the risk of spreading the infection, and (2) fulfilling MOL's mission to serve as social infrastructure. We transitioned to full-time teleworking and rapidly identified any impacts on operating vessels and took necessary measures. As a result, we have successfully maintained business operations without any major disruptions, with the exception of challenges for crew member changes due to restrictions on travel between countries.

Compliance Risks

Compliance Initiatives
In 2014, the Japan Fair Trade Commission (JFTC) found that the MOL Group had violated Article 3 of the Japanese Antimonopoly Act in certain car carrier shipping trades. In response, the MOL Group has updated its compliance rules, which determine the scope and Rules of Conduct of its executives and employees, and provided ongoing training to ensure that the importance of compliance—as the major premise of all corporate activities—is etched deeply into the minds of all executives and employees, and make it the linchpin of decisions in daily business operations. The Compliance Committee convenes every three months to discuss compliance matters within the Group and respond to any violation incidents. Further, the number and details of compliance events are disclosed within the Company to raise awareness among all executives and employees.

reports and consultations strictly confidential and ensure that personnel, including those cooperating with an investigation, are not treated unfairly. We also welcome compliance-related inquiries through our website from external parties, including customers and suppliers both domestic and international.


Initiatives to Comply with Antitrust Laws and Prevent Corruption

The MOL Group takes rigorous measures to ensure compliance with the Antitrust Act and prevent corruption. We have an Antimonopoly Act Compliance Code and an Anti-Corruption (Anti-Bribery) Policy, as well as a Do's & Don'ts Guide, which provides a set of more specific guidelines. We also implement a range of training sessions to keep all employees informed by providing them with overviews and points to note in relation to domestic and international laws and regulations.

With respect to corruption prevention, in fiscal 2022 we formulated a new Anti-Corruption Policy. As an addition to the Groupwide coverage of existing anti-bribery rules, the new policy calls on business partners involved in MOL's business activities to comply with the rules. Further, to reflect the growing expectations of society in recent years, we have prepared a version of the policy in English and posted the policy on our website. Moreover, the formulation of the policy is part of an action plan under the "anti-bribery" initiative focus of the "governance and compliance to support businesses" Sustainability Issue set out in the MOL Sustainability Plan.

Compliance Advisory Service Desks

The MOL Group has established internal and external compliance advisory service desks available in Japanese and English. These service desks can be used by officers, employees, and temporary staff of MOL and its Group companies. The external advisory service desk is entrusted to an outside attorney to run. The attorney transmits reports and consultations received to the Compliance Committee and continues to serve as a liaison between the Company and people submitting reports or seeking consultations. Both service desks keep

 For details on compliance, please visit our website.
<https://www.mol.co.jp/en/sustainability/governance/compliance/index.html>

Risks Related to Human Rights and the Value Chain

The MOL Group is stepping up measures related to respect for human rights and responsible procurement, which are initiative focuses set out under the “governance and compliance to support businesses” Sustainability Issue. In March 2022, we newly established the MOL Group Human Rights Policy and the MOL Group Supplier Procurement Guidelines and revised the existing MOL Group Basic Procurement Policy. Targeting

internal and external stakeholders, these policies and guidelines underscore our commitment to human rights. Also, we are reaching out to business partners to seek their understanding of and cooperation with the policies and guidelines so that together we can build a sustainable value chain based on due consideration for human rights, safety, and the environment.

Human Rights and Value Chain Policies and Guidelines

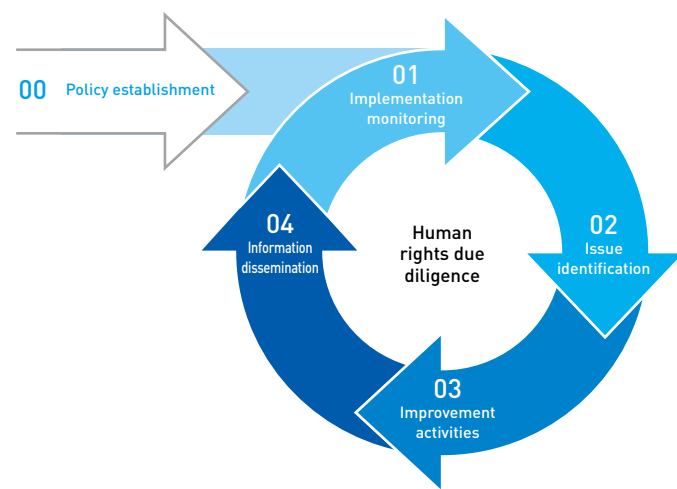
<p>MOL Group Human Rights Policy Newly established</p> <p>The policy reiterates the Group’s commitment to eliminating any violations of human rights in business activities as well as to advancing appropriate initiatives to this end.</p>	<p>MOL Group Basic Procurement Policy Revised</p> <p>The policy summarizes issues that must be taken into consideration in the procurement of the goods and services required by the Group for business activities. The recent revision clarifies the Group’s commitment to human rights.</p>	<p>MOL Group Supplier Procurement Guidelines Newly established</p> <p>While the MOL Group Basic Procurement Policy cover the issues that the Group must take into consideration, the guidelines summarize issues on which the Group would like cooperation from business partners.</p>
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Value Chain Management

Having established and developed policies and guidelines, we will build a value chain management system while strengthening related in-house measures. By following the steps shown below, in fiscal 2022 we will formulate and introduce a value chain monitoring system that incorporates human rights due diligence and ascertain the actual status of risks

related to the environment, human rights, and governance. Beginning from fiscal 2023, MOL will conduct activities aimed at reducing the risks identified while disclosing details of initiatives in a timely and appropriate manner to ensure accountability to stakeholders.

Steps That Will Establish Value Chain Management

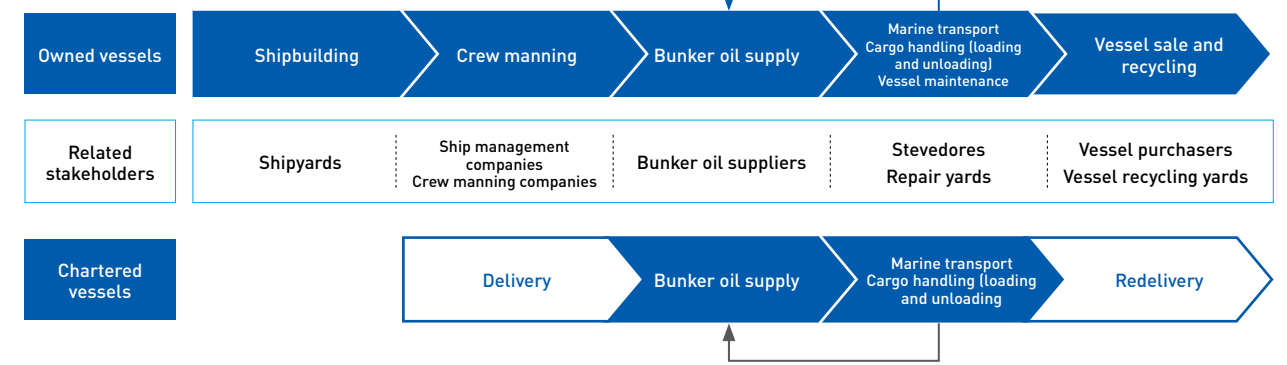


00 Policy establishment	Establishment of a human rights policy, basic procurement policy, and supplier procurement guidelines; periodic revision; and the explanation to suppliers of the purpose and details of policies and guidelines
01 Implementation monitoring	Implementation of written and on-site surveys to confirm that policies and guidelines are being appropriately reflected in the value chain
02 Issue identification	Based on the clarification of actual and potential risks in the value chain through monitoring, identification of issues related to human rights, safety, and the environment that must be resolved
03 Improvement activities	Improvement of initiatives that are aimed at addressing the identified issues and verification of the effectiveness of the improvements through monitoring conducted in the following fiscal year
04 Information dissemination	Steady dissemination of information on the Company’s initiatives to ensure their transparency

For details on the MOL Group Basic Procurement Policy and the MOL Group Supplier Procurement Guidelines, please visit our website. <https://www.mol.co.jp/en/sustainability/governance/procurement/index.html>
 For details on the MOL Group Human Rights Policy and human rights due diligence initiatives, please visit our website. <https://www.mol.co.jp/en/sustainability/governance/human/>

Initiatives for Specific Business Partners

The MOL Group’s Value Chain



Initiatives in Partnership with Chartered Vessel Owners

To ensure high levels of safety throughout our fleet, we not only apply the MOL Safety Standard Specifications to our owned vessels but also to vessels procured under medium- to long-term charter contracts. An additional aspect of our efforts to heighten safety levels involves actively sharing safety awareness and exchanging information and opinions with shipowners through visits to their vessels and offices as well as the holding of periodic liaison meetings with shipowners. Through such activities, we detect problems at an early stage and take prompt countermeasures. Also, we revise the MOL Safety Standard Specifications whenever necessary.

In 2020, an accident off Mauritius—in which the WAKASHIO, a bulk carrier chartered by MOL, ran aground and spilled oil—had a considerable impact on the local communities and the natural environment. Even though shipowners are legally liable for accidents involving chartered vessels, we understand the social responsibility that we have to take measures aimed at preventing the recurrence of such an accident. In response to the WAKASHIO accident we are strengthening measures to ensure the safety levels of chartered vessels. To further enhance the effectiveness of these measures, in relation to safety levels, we will establish KPIs, develop databases, expand and enhance management and support systems, and introduce new safety technologies. Partnering with shipowners, we will advance initiatives with a view to realizing world-leading safety levels.

Initiatives in Partnership with Vessel Recycling Yards

Upon reaching the end of their service lives, vessels must be scrapped (recycled) to ensure the safe operation of fleets and marine environmental protection. By weight, approximately 95.0% of a vessel is recyclable, and we have our owned vessels recycled by selling them to companies that specialize in vessel purchasing. Meanwhile, as vessel recycling is a labor-intensive industry, the major vessel recycling yards are located in developing countries. At these yards, the management of hazardous substances, environmental impact, and the occupational health and safety of laborers have become matters of international concern. To address such vessel recycling-related issues, the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships (the Hong Kong Convention) was adopted by the International Maritime Organization in May 2009, and countries are advancing their respective ratification processes with a view to effectuation of the convention. The convention prohibits or limits the loading and use of hazardous materials on board vessels and requires the preparation and updating of inventory lists that record the quantities and locations of hazardous materials on board. Ultimately, this information must be provided to vessel recycling yards. Further, the convention obligates vessel recycling yards to establish appropriate management systems for personnel safety and waste disposal.

MOL Group Vessel Recycling Policy

In realizing more-sustainable vessel recycling, we believe that vessel recycling yards must not only protect the environment and prevent occupational safety issues but also respect the human rights of workers.

- We only select vessel recycling yards that have received third-party certification from Nippon Kaiji Kyokai, commonly known as ClassNK, for compliance with the Hong Kong Convention as well as prescribed environmental, safety, and labor standards.
- Even after vessels have been sold to companies that specialize in vessel purchasing and delivered to vessel recycling yards, we visit the yards to check the progress of vessel breaking work and require yards to provide us with detailed reports.



Financial and Non-Financial Highlights

(Millions of yen)

	GEAR UP! MOL		RISE 2013	STEER FOR 2020	ROLLING PLAN						
	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3
For the year											
Shipping and other revenues	¥1,435,220	¥1,509,194	¥1,729,452	¥1,817,069	¥1,712,222	¥1,504,373	¥1,652,393	¥1,234,077	¥1,155,404	¥ 991,426	¥1,269,310
Shipping and other expenses	1,368,794	1,432,014	1,587,902	1,683,795	1,594,568	1,388,264	1,513,736	1,094,915	1,035,771	911,055	1,117,405
Selling, general and administrative expenses	90,885	92,946	100,458	116,024	115,330	113,551	115,972	101,442	95,852	85,674	96,899
Operating profit (loss)	(24,459)	(15,766)	41,092	17,249	2,323	2,558	22,684	37,718	23,779	(5,303)	55,005
Ordinary profit (loss)	(24,320)	(28,568)	54,985	51,330	36,267	25,426	31,473	38,574	55,090	133,604	721,779
Income (loss) before income taxes and non-controlling interests	(33,516)	(137,938)	71,710	58,332	(154,385)	23,303	(28,709)	46,778	47,130	100,313	732,993
Profit (loss) attributable to owners of parent	(26,009)	(178,846)	57,393	42,356	(170,447)	5,257	(47,380)	26,875	32,623	90,052	708,819
Free cash flow [(a) + (b)]	(129,298)	(25,285)	(25,615)	(66,656)	182,508	(56,318)	(2,471)	(143,093)	(6,527)	44,238	200,187
Cash flows from operating activities (a)	5,014	78,955	94,255	92,494	209,189	17,623	98,380	55,248	100,723	98,898	307,637
Cash flows from investing activities (b)	(134,312)	(104,240)	(119,870)	(159,150)	(26,681)	(73,941)	(100,851)	(198,341)	(107,250)	(54,660)	(107,450)
Depreciation and amortization	85,624	94,685	83,983	87,803	92,771	87,190	86,629	90,138	87,765	85,798	86,399
At year-end											
Total assets	¥1,946,161	¥2,164,611	¥2,364,695	¥2,624,049	¥2,219,587	¥2,217,528	¥2,225,096	¥2,134,477	¥2,098,717	¥2,095,559	¥2,686,701
Total tangible fixed assets	1,293,802	1,303,967	1,379,244	1,498,028	1,376,431	1,323,665	1,290,929	1,193,910	1,201,698	1,099,458	1,111,152
Total investments and other assets	249,228	323,468	422,426	577,157	353,197	381,097	425,300	524,411	533,320	637,736	1,187,472
Interest-bearing debt	869,619	1,046,865	1,094,081	1,183,401	1,044,980	1,122,400	1,118,089	1,105,873	1,096,685	1,026,994	1,000,697
Net assets	717,909	619,492	783,549	892,435	646,924	683,621	628,044	651,607	641,235	699,150	1,334,866
Shareholders' equity	637,422	535,422	679,160	782,556	540,951	571,983	511,242	525,064	513,335	577,782	1,274,570
Amounts per share of common stock*1											
Profit (loss) attributable to owners of parent (Yen)	¥ (72.53)	¥ (498.57)	¥ 159.97	¥ 118.07	¥ (475.00)	¥ 14.65	¥ (132.05)	¥ 74.91	¥ 90.93	¥ 250.99	¥ 1,970.16
Net assets (Yen)	1,777.57	1,492.53	1,893.00	2,180.87	1,507.60	1,594.08	1,424.94	1,463.46	1,430.77	1,610.04	3,532.32
Cash dividends applicable to the year (Yen)	16.67	0.00	16.67	23.33	16.67	6.67	6.67	15.00	21.67	50.00	400.00
Management indicators											
Gearing ratio (Times)	1.36	1.96	1.61	1.51	1.93	1.96	2.19	2.11	2.14	1.78	0.78
Net gearing ratio (Times)	1.23	1.58	1.35	1.35	1.64	1.64	1.82	1.88	1.94	1.63	0.71
Equity ratio (%)	32.8	24.7	28.7	29.8	24.4	25.8	23.0	24.6	24.5	27.6	47.4
ROA (%)	(1.3)	(1.4)	2.4	2.1	1.5	1.1	1.4	1.8	2.6	6.4	30.2
ROE (%)	(4.0)	(30.5)	9.5	5.8	(25.8)	0.9	(8.7)	5.2	6.3	16.5	76.5
Dividend payout ratio (%)	—	—	10.4	19.8	—	45.5	—	20.0	23.8	19.9	20.3
CO ₂ emissions of MOL Group*2 fleet (Thousand tons)	19,660	18,876	17,810	18,803	18,676	18,203	17,774	12,199	11,137	9,831	10,112
Number of MOL Group*3 employees	9,431	9,465	10,289	10,508	10,500	10,794	10,828	8,941	8,931	8,571	8,547

Note: Rounded down to the nearest one million yen

*1 The Company consolidated its common shares on the basis of one (1) share for every ten (10) shares effective October 1, 2017. Also, the Company split its common shares on the basis of three (3) shares for every one (1) share effective April 1, 2022. Figures have been calculated based on the supposition that said share consolidation and share split were implemented at the beginning of the fiscal year ended March 31, 2012.

*2 The Company and its consolidated subsidiaries. The emissions of the containership operating company Ocean Network Express Pte. Ltd. (ONE), which began operations in fiscal 2018, are not included. (Since the issuance of MOL Report 2021, the emissions of ONE have been retroactively deducted from past figures to unify the scope of calculation.)

*3 The Company and its consolidated subsidiaries

The MOL Group's Global Network



- Headquarters and Chief Executive Representative Offices
- Chief Country / Regional Representative Offices
- Group company (50% stake or more) offices

Countries and Regions with Group Offices (As of April 30, 2022)

Europe / Africa	East Asia / Southeast Asia / Oceania	South Asia / Middle East	North America / Central America / The Caribbean	South America
United Kingdom	Japan	Sultanate of Oman	United States of America	Brazil
Italy	Republic of Korea	Qatar	Canada	Chile
Netherlands	China	United Arab Emirates	Mexico	Colombia
Denmark	Taiwan	India	Panama	
Germany	Hong Kong	Sri Lanka		
France	Indonesia			
Belgium	Thailand			
Czech Republic	Philippines			
Poland	Singapore			

History of the MOL Group

Building trust by anticipating customer needs and the demands of the times

1884 Osaka Shosen Kaisha (O.S.K. Line) is established by a union of small- and medium-sized shipowners in the Kansai region.

1890 O.S.K. Line launches its first overseas route service between Osaka and Busan.

1909 O.S.K. Line launches its first long-distance ocean service between Hong Kong and Tacoma.

1930 KINAI MARU, a high-speed cargo ship, travels from Yokohama to New York in 25 days, 17 hours, and 30 minutes (advanced ships at the time averaged 35 days back then).

1939 ARGENTINA MARU and BRASIL MARU, two leading cargo-passenger ships in prewar Japan, ply routes to South America.

1942 Mitsui & Co., Ltd. spins off its shipping department to create Mitsui Steamship Co., Ltd. (Mitsui Line).

1964 Industry restructuring through consolidation of marine transport companies

O.S.K Line and Mitsui Line merge to form Mitsui O.S.K. Lines, Ltd.

1965 MOL launches Japan's first specialized car carrier, the OPPAMA MARU.

1968 Service of full containership the AMERICA MARU begins.

1993 Crew training school is established in the Philippines.

1995 World's first marine transport alliance called The Global Alliance (TGA) is formed with two overseas shipping companies.

1999 New Mitsui O.S.K. Lines is established through the merger of MOL and Navis Line.

2004 DAIBIRU CORPORATION becomes a consolidated subsidiary of MOL.

2010 First participation in FPSO project

2017 Becomes the first company to own an FSRU in Asia

2018 Container shipping joint venture of three Japanese companies, Ocean Network Express Pte. Ltd. (ONE), starts business operations.

Establishment of maritime academy in the Philippines

Accomplishing the Company's first natural gas transportation in the Arctic Ocean eastward route using an ice-breaking LNG carrier

2020 MOL's first LNG bunkering vessel is delivered.

2022 DAIBIRU CORPORATION and Utoc Corporation become wholly owned subsidiaries of MOL.

Information Disclosure and External Recognition

Promoting Information Disclosure and Engagement

Given that we have positioned contributing to the growth and development of people and communities as one of our Sustainability Issues (→page 53), we consider engagement with investors, shareholders, and other stakeholders to be an important management task.

At MOL, senior management is committed to taking the lead in investor relations (IR) activities. The CEO is accountable to stakeholders and expresses key ideas in his own words by participating in interim and full-year financial results briefings as well as individual and group meetings with domestic and overseas investors. Further, fully appreciating the importance of fair disclosure, we disclose financial highlights, business performance briefing materials, integrated reports, and other core IR tools in both Japanese and English. Moreover, in fiscal 2021 we began providing online videos of financial results briefings for analysts and institutional investors.

In addition to the dissemination of information, we place particular emphasis on the in-house feedback of opinions obtained through dialogue with stakeholders. Feedback obtained from meetings with investors is compiled and reported regularly to the Board of Directors and the Executive Committee. When more-specific opinions on management plans and the Sustainability Issues are received, the Corporate Communication Division, which is in charge of IR, directly communicates the feedback to the relevant divisions and encourages them to incorporate and reflect it not only in the enhancement of disclosure but also in the implementation of measures.

In recent years, MOL has implemented an array of initiatives to show the positioning of management goals and improve governance, including the revision of the Group's corporate mission and long-term vision, the formulation of MOL Group Environmental Vision 2.1 and the MOL Sustainability Plan, the resolution of the issue of parent-subsidary listings, the introduction of a stock remuneration system, and the establishment of a CEO succession plan. We are also moving forward with many different industry-leading measures in terms of business, such as the building of vessels equipped with Wind Challenger hard sail system and various types of LNG-fueled vessels as well as participation in projects related to the off-shore wind power generation business and the carbon business. The aforementioned initiatives are by no means solely the result of our aspirations but rather reflect the opinions of investors, shareholders, and a range of other stakeholders.

Through continued in-depth communication with our stakeholders, we will elevate our corporate value even further.

Policies and Measures That Reflect External Feedback

- Revision of corporate mission and long-term vision
- Formulation of MOL Group Environmental Vision 2.1 and the MOL Sustainability Plan
- Resolution of the issue of parent-subsidary listings
- Revision of the director remuneration plan
- Introduction of a CEO succession plan
- Raising of the dividend payout ratio

IR Activities in Fiscal 2021

Activity	Frequency	Detail
For securities analysts and institutional investors	Financial results briefings	4 times Quarterly results / forecasts
	Small meetings with the CEO	5 times Two held each in spring and autumn, once for responsible investment managers
For overseas institutional investors	Overseas investor road shows	2 times Held online (once in Europe, Asia)
	Conferences held by securities companies	6 times Participation in online conference (individual meetings)
For individual investors	Corporate presentations for individual investors	1 time Participation in online seminars for individual investors

IR Materials (Available on MOL's website)

Material	Japanese	English
Stock exchange filings (financial highlights, etc.)	Yes	Yes
Business performance briefing materials (including summaries of Q&A sessions)	Yes	Yes
Business performance results briefing video	Yes	Yes
Integrated report	Yes	Yes
Securities reports ("Yuhō")	Yes	—*1
Quarterly reports	Yes	—
Business reports for shareholders	Yes	—*2
Investor guidebook	Yes	Yes
Market data	Yes	Yes

*1 Abridged version posted as Financial Statements
*2 Posted as Business Report

External Recognition



Glossary (In alphabetical order)

■ CCS (Carbon Capture and Storage)

■ CCU (Carbon Capture and Utilization)

CCS is a technology for capturing and storing carbon dioxide before it is released into the atmosphere at plants and power stations. CCU is a technology for using captured carbon dioxide to make fuel and chemicals. Combining these two technologies is called CCUS (Carbon Capture, Utilization, and Storage).

■ Chemical Tankers

Tankers fitted with multiple tanks to transport many different types of liquid chemical cargo at the same time. These tankers have complex design specifications, as they are equipped with independent pipelines, cargo pumps, and temperature-regulating functions for each tank, in addition to dedicated facilities for cleaning and other features.

■ Clean Ammonia

This is ammonia produced using technologies that do not emit GHG. Clean ammonia is broadly classified into two types: blue and green. Blue ammonia is produced from fossil fuels, but the CO₂ generated is captured and stored. Green ammonia is derived from renewable energy sources. The use of clean ammonia technologies in combination with ammonia-fueled vessels, which are currently under development, promises to advance low-carbon marine transport.

■ FPSO (Floating Production, Storage and Offloading System)

An FPSO is a floating facility that produces, stores and offloads oil and gas. Crude oil produced and stored offshore is directly loaded into shuttle tankers for transport.

■ FSRU (Floating Storage and Regasification Unit)

■ FSU (Floating Storage Unit)

An FSU is a floating facility for storing LNG offshore. An FSRU has the same structure as an FSU with an additional function for regasification of LNG onboard, with which it can send out vaporized natural gas to land through a pipeline. FSRUs and FSUs are being adopted for a growing number of projects to establish LNG receiving terminals all over the world because of their advantages, including a shorter lead time and lower costs compared to conventional onshore receiving terminals.

■ ICP (Internal Carbon Pricing)

ICP is a system that sets a fixed in-house price for GHG emissions. The system enables the quantification of GHG emission reductions as positive economic impacts. Therefore, it promotes low-carbon investments that would otherwise generally be viewed as cost-increasing factors. ICP is also expected to mitigate carbon tax and other future charges on GHG emissions.

■ IMO (International Maritime Organization)

A United Nations specialized agency that promotes intergovernmental cooperation on technical and legal issues affecting international shipping, such as maritime safety, navigation efficiency, and prevention of marine pollution. It also creates a regulatory framework for the shipping industry that is fair and effective, universally adopted, and universally implemented.

■ LNG Carriers

Tankers designed for the transportation of liquefied natural gas (LNG). To transport LNG which has been cooled to -162°C, LNG carriers make use of a wide variety of technologies in various ship parts, including specialized tanks that can withstand extremely cold temperatures and emergency shut-off devices to prevent accidents in cargo operation.

■ NOx

Nitrogen oxide (NOx) is a cause of atmospheric pollution, and it is created when nitrogen combines with oxygen in the air under high temperatures, like when fuel is combusted inside engines. NOx emissions from ships are regulated by IMO rules, and the third set of NOx regulations went into effect in 2016.

■ PBCFs (Propeller Boss Cap Fins)

Developed by MOL in collaboration with two other companies in 1987, these energy-saving devices are attached to the propeller shafts of vessel propulsion engines. Propeller blade rotation generates vortices that lead to energy loss. By eliminating these vortices, PBCFs reduce fuel consumption by approximately 5.0%. As of April 2022, our PBCFs have been installed in approximately 3,700 vessels of all types. Moreover, in 2021 PBCFs were certified as the "Best-selling Energy-Saving Ship Appendage Brand" by Guinness World Records.

■ RoRo (Roll-on / Roll-off) Ships

These ships have rampways that allow vehicles to be driven on and off the ship. They can also transport trucks and trailers loaded with cargo. Some ships equipped with RoRo systems are pure car carriers, which mainly transport vehicles that are not loaded with cargo and construction machines. Other RoRo ships are ferries that transport cargo vehicles, passengers, and privately owned vehicles.

■ Small- and Medium-Sized Bulkers

Panamax, Handymax, and Handysize dry bulkers that mainly transport general bulk cargo, such as coal, grain, salt, cement, and steel products.

■ SOx

SOx encompasses sulfur dioxide (SO₂) and other sulfur oxides, which are substances that pollute the atmosphere when oil, coal, and other fossil fuels that contain sulfur is incinerated. In the shipping industry, SOx emissions in the exhaust gas of ships are regulated, and in January 2020, regulations were tightened, greatly reducing the allowable sulfur content in bunker fuel from 3.5% to less than 0.5% (general sea areas).

■ Subsea Support Vessels

Vessels designed for installation and maintenance of subsea facilities during production and exploitation of offshore oil and gas fields.

■ Synthetic Methane/Methanation

This is methane produced from CO₂ and hydrogen. Like natural gas, synthetic methane can be used as a marine fuel. Methanation is the process used to produce synthetic methane. By using CO₂ from the atmosphere and hydrogen derived from renewable energy sources as raw materials, CO₂ can be cyclically used. This process can significantly lower GHG emissions, which contribute to global warming.

■ TCFD (Task Force on Climate-related Financial Disclosures)

A disclosure framework specializing in climate-related information. It encourages companies to disclose the financial impact climate change has on their business.

■ Trim

This refers to the lengthwise inclination of a vessel's hull, which results from the difference between the bow and aft drafts. Normally, trim by aft, where the aft is deeper than the bow, tends to be preferred for ease of vessel handling. However, joint research by MOL and Akishima Laboratories (Mitsui Zosen) Inc. demonstrated that optimum trim by bow improves propulsion efficiency. MOL is endeavoring to improve fuel efficiency by developing and introducing to vessels software that analyzes the optimum trim for each vessel depending on its draft, speed, and route as well as such factors as weather conditions.

Shareholder Information

Capital	¥65,400,351,028
Head Office	1-1, Toranomon 2-chome, Minato-ku, Tokyo 105-8688, Japan
Number of MOL employees	1,098
Number of MOL Group employees (The parent company and consolidated subsidiaries)	8,547
Total number of shares authorized	946,200,000*
Number of shares issued	361,885,833*
Number of shareholders	137,413
Shares listed on	Tokyo Stock Exchange
Share transfer agent (Contact information)	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Department 8-4, Izumi 2-chome, Sugunami-ku, Tokyo 168-0063, Japan
Communication materials	MOL Report Investor Guidebook Market Data Website YouTube Official Channel

[As of March 31, 2022]

For further information, please contact:

Investor Relations Team
Corporate Communication Division

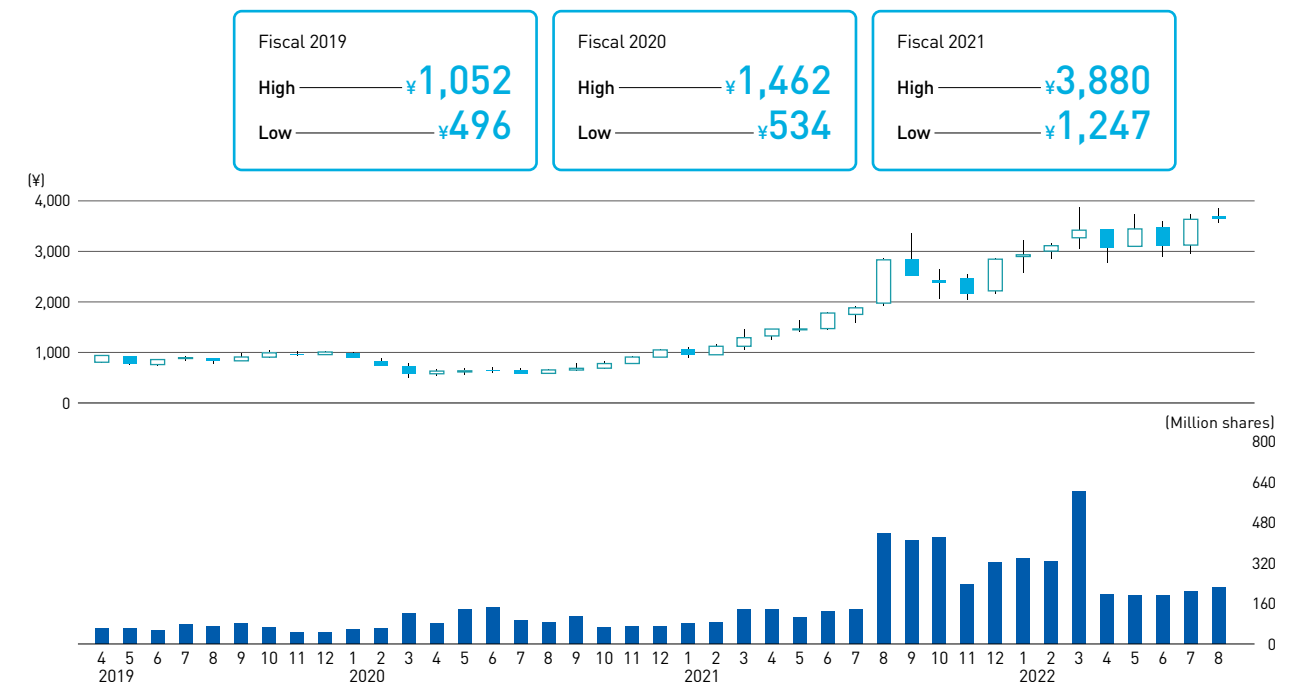
Mitsui O.S.K. Lines, Ltd.
1-1, Toranomon 2-chome, Minato-ku, Tokyo 105-8688, Japan

EMAIL iromo@molgroup.com

WEB <https://www.mol.co.jp/en/>



Stock Price (Tokyo Stock Exchange) and Volume of Stock Trade*



* Figures have been calculated based on the number of shares after the Company split its common shares on the basis of three (3) shares for every one (1) share effective April 1, 2022.