

## Input

### Resources Supporting MOL Group

#### Manufactured Capital

- ▶ A wide array of around 800 vessels
- ▶ Sales and ship management offices in 41 countries and regions

#### Intellectual Capital

- ▶ Deep understanding of ship operations and cargo handling, advanced maritime skills
- ▶ Broad knowledge of ships backed by extensive experience
- ▶ Strong attitude to innovate the marine transport business and a wide range of expertise as its base
- ▶ Project management capabilities for discovering needs and commercializing ideas

#### Human Capital

- ▶ Highly diverse land-based personnel and crew members numbering around 14,000
- ▶ Human capital who share the "MOL CHARTS" spirit

#### Social and Relationship Capital

- ▶ A history and track record extending across more than 130 years
- ▶ Customer networks and partnerships in Japan and overseas
- ▶ A presence in maritime affairs clusters around the world

#### Natural Capital

- ▶ A natural environment that sustains business continuity

#### Financial Capital

- ▶ A financial base that underpins reliable performance of long-term contracts extending over 20 years
- ▶ Stable cash flow generated from a diverse portfolio of vessel types and businesses

## Our Activities

### Business Domains

A variety of social infrastructure businesses, centered on marine transport



### Implementation of Rolling Plan



### Initiatives on Sustainability Issues



## Output

### MOL's Number of Voyages (Fiscal 2020)

About **3,000** voyages  
(excluding time charter-out voyages)

### MOL's Track Record in Transport (Fiscal 2020)

Annual container transport volume

**12** million TEU  
About 7.7% of global marine transport volume  
(Source: Japan Maritime Center)

Annual LNG transport volume

**69** million MT  
About 19.1% of global marine transport volume  
(Source: Wood Mackenzie)

Annual iron ore transport volume

**66** million MT  
About 4.4% of global marine transport volume  
(Source: Clarksons)

Annual automobile transport volume

**2.7** million vehicles

## Outcome

### 1 Financial Value (Fiscal 2020)

Revenues

**¥991.4** billion

Ordinary profit

**¥133.6** billion

ROE

**16.5%**

Total dividends paid

**¥17.9** billion

### 2 Social Value (Fiscal 2020)

CO<sub>2</sub> emissions

**9,665** thousand tons  
(Scope 1)

LTIF

**0.34**  
(average across all industries (2020) 1.95)

Environment-related investments

**¥64.4** billion

→ For details, please refer to "The Outcomes of Value Creation" on page 14.



Contributing to solving social issues while creating value through business activities



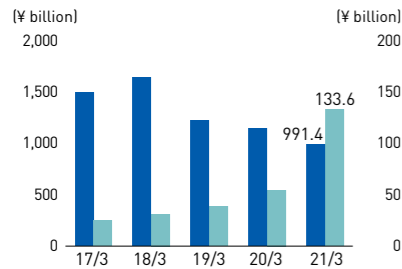
Reinvestment and the accumulation of knowledge

# The Outcomes of Value Creation

## Financial Value

Revenues / Ordinary Profit

Fiscal 2020  
**Ordinary Profit** ¥133.6 billion

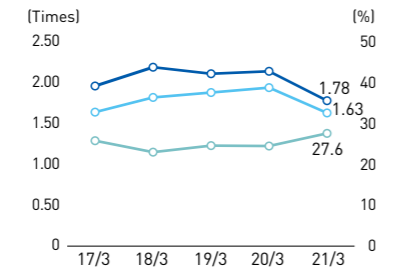


■ Revenues (left)  
 ■ Ordinary profit (right)

Revenues declined ¥163.9 billion due to a sharp drop in completed car transport volume and a fall in the dry bulk market caused by the COVID-19 pandemic. Ordinary profit increased ¥78.5 billion, reflecting strong profit growth at equity-method affiliate Ocean Network Express Pte. Ltd. (ONE), which operates containerhips, in addition to stable profit generation centered on the energy and offshore business.

Gearing Ratio / Net Gearing Ratio / Equity Ratio

End of fiscal 2020  
**Equity Ratio** 27.6%

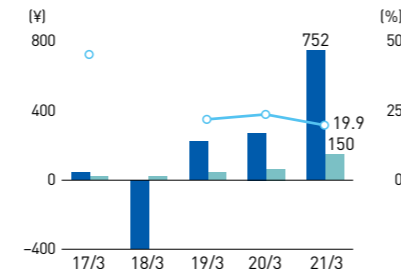


◆ Gearing ratio (left)  
 ◆ Net gearing ratio (left)  
 ◆ Equity ratio (right)

In fiscal 2020, shareholders' equity expanded ¥64.4 billion year on year as a result of growth in retained earnings thanks to robust overall performance of the Company. Interest-bearing debt was reduced by ¥69.6 billion compared with a year earlier as borrowings were repaid. As a result, the gearing ratio improved 0.36 point to 1.78 times. The net gearing ratio improved 0.31 point to 1.63 times, and the equity ratio also improved 3.1 percentage points to 27.6%, underscoring improvement in the financial position.

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

Fiscal 2020  
**Cash Dividends per Share** ¥150.00

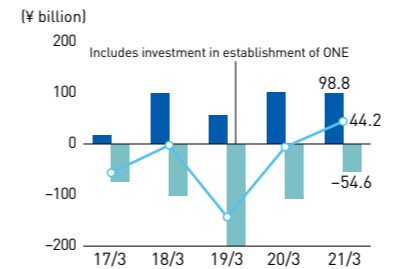


■ Profit (loss) attributable to owners of parent per share (left)  
 ■ Cash dividends per share applicable to the year (left)  
 ◆ Dividend payout ratio (right)

Reflecting robust growth in consolidated ordinary profit on contributions from ONE, profit attributable to owners of parent increased by ¥57.4 billion to ¥90.0 billion, even after the booking of extraordinary losses, which included business restructuring charges for product tankers and car carriers incurred to lift earnings from the next fiscal year onward. In accordance with the policy for a consolidated dividend payout ratio of 20%, the Company distributed an interim dividend of ¥15 per share and a year-end dividend of ¥135 per share, for a total of ¥150 per share, representing an increase from the ¥65 per share paid in fiscal 2019.

Cash Flows

Fiscal 2020  
**Free Cash Flow** ¥44.2 billion

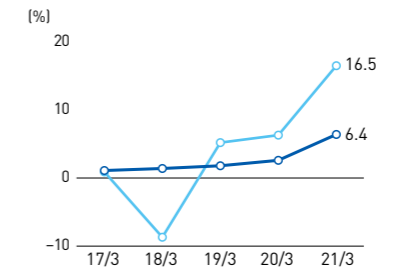


■ Cash flows from operating activities  
 ■ Cash flows from investing activities  
 ◆ Free cash flow

In fiscal 2020, in light of the COVID-19 pandemic, the Company carefully selected projects to invest in and focused in fields where it excels. As we also turned some assets and businesses into cash, cash flows from investing activities was ¥54.6 billion, a decline of ¥52.5 billion from the previous fiscal year. Cash flows from operating activities amounted to ¥98.8 billion, on a par with the previous fiscal year. As a result, the Company achieved ¥42.2 billion in the first year of its free cash flow target of ¥100.0 billion over three years.

ROA / ROE

Fiscal 2020  
**ROE** 16.5%



◆ ROA (Based on ordinary profit)  
 ◆ ROE

Return on assets (ROA) increased 3.8 percentage points year on year to 6.4%, owing to strong growth in ordinary profit and a decrease in total assets. Return on equity (ROE) also improved strongly, by 10.2 percentage points to 16.5%, due to growth in profit attributable to owners of parent.

Credit Ratings

As of September 17, 2021  
**JCR** A-

Agency	Type of rating	Rating
JCR	Short-term debt rating (Commercial paper)	J-1
	Long-term senior debt (issuer) rating	A- (Stable)
	Long-term debt rating	A-
R&I	Issuer rating	BBB+ (Stable)
	Short-term debt rating (Commercial paper)	a-2
	Long-term debt rating	BBB+
Moody's	Corporate family rating	Ba3 (Stable)

Environment-related investment is likely to continue over the long term on the path to net zero emissions. We aim to enhance our credit ratings by properly disclosing and explaining information externally, while prioritizing efforts to improve our financial position as a management issue in order to secure and maintain more favorable conditions for capital procurement than competitors.

## Social Value

Continuous Days of Achieving 4ZEROES

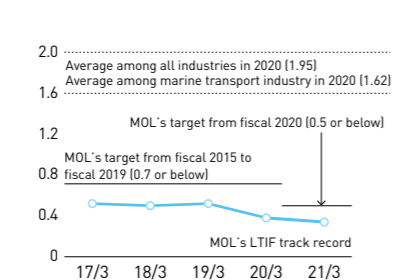
As of August 31, 2021



After experiencing a series of major maritime incidents in 2006, MOL took various initiatives to establish the world's safest fleet. In fiscal 2010, MOL introduced the 4ZEROES as an objective indicator to measure the outcome of our efforts, which counts the number of continuous days of zero accidents in the four categories indicated above. These counters are displayed at the top of our internal website and shared with all employees, both land-based and sea-based, to increase their awareness of safe operations.

LTIF\*1 (Lost Time Injury Frequency)

Fiscal 2020  
**LTIF** 0.34

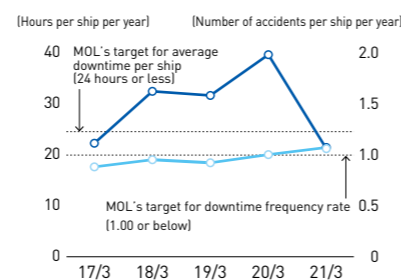


Source of reference values: Overview of Results of the 2020 Survey on Industrial Accidents, Ministry of Health, Labour and Welfare

Aiming to further improve safety quality, MOL made its internal LTIF targets tougher by lowering it from 0.7 or below to 0.5 or below in fiscal 2020 and achieved this new target the same year. This number is substantially lower than the figures gathered by the Ministry of Health, Labour and Welfare on the average across all industries (1.95 in 2020) and the average for the marine transport industry (1.62 in 2020).

Average Downtime\*2 / Downtime Frequency Rate\*3

Fiscal 2020  
**Downtime Frequency Rate** 1.07 per ship

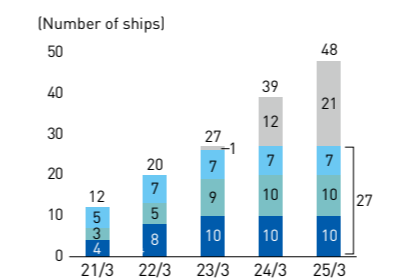


◆ Average downtime (left)  
 ◆ Downtime frequency rate (right)

Some operating ships reported main engine problems caused by the use of bunker oil that complied with tighter regulations for sulfur content that came into effect in January 2020. Owing in part to these problems, the downtime frequency rate in fiscal 2020 was 1.07 per ship, slightly exceeding our target of 1.00 or less. However, average downtime was 21.17 hours per ship, achieving our target.

Number of Environmental and Emission-Free Business-Related Ships

End of fiscal 2024  
**Expected Number of Ships (only those already contracted)** 27

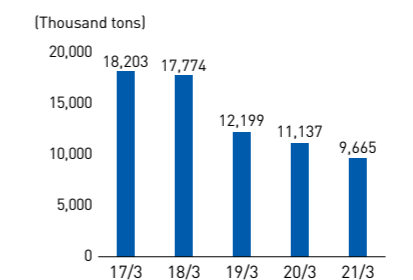


■ Ships related to LNG supply  
 ■ Ships related to alternative fuels  
 ■ Ships related to renewable energy  
 ■ Currently marketing

In line with our environmental strategy in the rolling plan, MOL is concentrating on low-carbon and decarbonization businesses. We expect to begin reaping the fruits of the seeds we have sown over the past years. By the end of fiscal 2024, we anticipate having 27 environmental and emission-free business-related ships, which include ships related to LNG supply, alternative fuels, and renewable energy. We will continue to invest heavily in this area, including some projects currently in the marketing phase.

GHG Emissions\*\*

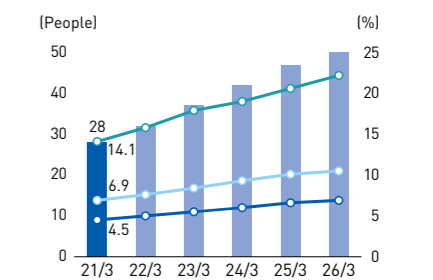
Fiscal 2020  
**CO<sub>2</sub> Emissions (Scope 1)** 9,665 thousand tons



Our CO<sub>2</sub> emissions in Scope 1 have declined steadily although reasons are partly because of the transfer of our containership business to ONE in fiscal 2018, and the decrease in fuel consumed in fiscal 2020 due to fewer voyages made during the COVID-19 pandemic. As stated in MOL Group Environmental Vision 2.1, the MOL Group aims to achieve net zero emissions by 2050, and will continue efforts to reduce GHG emissions.

Number and Percentage of Women in Managerial Positions\*\*

End of fiscal 2020  
**Percentage of Women in Land-Based Managerial Positions (Team Leader class)** 14.1%



■ Number of women in land-based and sea-based managerial positions (left)  
 ◆ Percentage of women in land-based and sea-based managerial positions (right)  
 ◆ Percentage of women in land-based managerial positions (right)  
 ◆ Percentage of women in land-based managerial positions (Team Leader class) (right)

We believe empowering women will lead to greater corporate value and diversity in society. By the end of fiscal 2025, MOL targets (1) at least 7.0% of women in land-based and sea-based managerial positions, (2) at least 10% of women in land-based managerial positions, and (3) at least 20% of women in land-based managerial positions (Team Leader class). In land-based managerial positions, we expect to steadily increase the percentage of women, reflecting the increase in the number of women hired for career-track positions since the 2000s.

\*1 The number of work-related accidents per one million hours worked. This includes any workplace illness or injury that prevents a worker from resuming normal duties or light duties.  
 \*2 The amount of downtime due to mechanical malfunction or accident per ship per year  
 \*3 The number of mechanical malfunctions or accidents that result in downtime per ship per year

\*\*4 Figures cover the Company and its consolidated subsidiaries. Emissions at ONE, which began operations in fiscal 2018, are not included. [The emissions of ONE have been retroactively deducted from the FY2018 and FY2019 figures to unify the scope of calculation.]  
 \*\*5 Unconsolidated basis excluding loaned employees, contract employees, part-timers, etc., but including expatriate employees