

A Message from the Chairman

Business management is about continuity. How best to pass on business management to the next generation was always on my mind.

“The selection of a successor is a CEO’s most important task.” I often hear this type of statement in discussions on corporate management. When I became CEO, I saw succession as one of my most important management tasks, and from that time began considering possible successors. As I wrote in the annual report at the time of my appointment, business management is about continuity. During their respective terms, each CEO gives their all to advance the Company closer to the goal. In a way, the process is like a long-distance relay race. Mindful that my role was also to pass on the baton to a successor, I mulled over the optimal timing and to whom I should entrust the position. In my view, the best time to hand over to a successor was not when I myself had reached a particular goal but rather when our measures had prepared a foundation for the business management of the next CEO and reached a stage from which transformation and advancement to a higher stage could be pursued. After taking such considerations into account

and looking over the state of MOL Group, I determined that now was the best time to pass the baton to a new CEO.

When I became CEO in 2015, the marine transport industry was facing long-lasting difficulties due to an oversupply of vessels and sluggish market conditions. The MOL Group was also suffering from a prolonged slump in its performance. In response, we used “No. 1 competitiveness in respective areas” as a guiding principle and tackled three overall reforms, which were focused on our business portfolio, business model, and business fields. As part of these efforts, we undertook major structural reforms of the dry bulk business and integrated the containership business. Finally, in fiscal 2019, all business segments posted ordinary profit. Moreover, we are establishing businesses that promise to become new earnings mainstays, such as offshore businesses. For this reason, I believe we are on track to resolve the pressing issues that we faced at the time of my appointment as CEO.

On the other hand, as my tenure continued, I developed a sense of crisis over the emergence of “habituation” throughout the organization. For example, such new concepts and goals as “No. 1 competitiveness in respective areas” and “stress-free

services,” which I emphasized in the years after taking office, have borne fruit and established a common understanding throughout the Company. In itself, this progress may be something we should evaluate positively. But paradoxically, once we become habituated to such phrases, they lose their potency as drivers of change.

My concern about habituation was further reinforced in fiscal 2020. On the whole, our organization began the fiscal year with a considerable sense of urgency due to the spread of COVID-19. By the third quarter, though, the prospect of achieving favorable business results had come into view thanks to the structural reforms of businesses and the accumulation of highly stable profits we had achieved up to that point coupled with good market conditions for Ocean Network Express Pte. Ltd. (ONE) and the tanker business. While we were of course pleased with the favorable performance itself, I sensed that our employees were beginning to relax because they thought that we might be able to just go on as we were and perform well. However, to sustain long-term growth we must still break away from the business model that is solely reliant on traditional marine transport. Looking at the MOL Group from a medium- to long-term viewpoint, if anything the Group’s critical period still lies ahead. Therefore, in the present situation we cannot afford to slacken the pace of transformation. With this in mind, I concluded that the most effective way to get the message across and accelerate the evolution of our business model was a change of CEO.

Given his unshakable commitment to transformation and excellent ability in presenting clear-cut views on the world economy and politics and showing where the Company should be headed based on these views, I have high expectations of our new CEO, Takeshi Hashimoto.

As I have explained, I considered the selection of a successor to be one of my most important tasks as the leader of corporate management. After a series of discussions at meetings of the Nomination Advisory Committee, we formulated a succession plan for the president and CEO in fiscal 2019. We began this process by clarifying and sharing our views on the requirements for the management leader in the Company’s next stage. Through discussions in the committee, we set out 15 requirements for the new CEO based on two axes, with the first being values and mindset and the second being practical ability. Of these requirements, Mr. Hashimoto was most highly evaluated for having an unshakable commitment to transformation. In addition, we have high expectations of Mr. Hashimoto’s ability to present clear-cut views of the world and show where the Company should be headed based on these views. This is

because in advancing and giving shape to transformation, the ability to deliver coherent messages that show the way forward is extremely important. At meetings of the Board of Directors, Mr. Hashimoto has always been able to provide explicit and strategic explanations of the proposed investments under his management. In addition, he has a wealth of global experience and is thoroughly familiar with the LNG carrier and offshore businesses, which are becoming core businesses. He also has a track record of building close relationships with companies that we did not have contact with before, such as PAO NOVATEK of Russia and Karpower International B.V. of Turkey, and bringing negotiations with them to a successful conclusion. Based on these attributes, I am confident that our new CEO can clearly communicate the course MOL should follow and lead the entire Group in this period of change.

In my new role, I will press ahead with initiatives aimed at increasing the MOL Group’s corporate value even further.

In conclusion, I would like to talk about my future role and aspirations. As of fiscal 2021, I have assumed the position of chairman executive officer, a position that was vacant. In reinstating this position, many questions and recommendations were received from outside directors to the effect that the position’s roles and status should be clarified. Normally, within Japanese companies, it is rare for a someone who has experience as a CEO to remain in an executive position. Nonetheless, the position of chairman executive officer has been reinstated because the valuable experience and insights that only a former CEO has can be useful in business execution. However, I would like to make it clear to all stakeholders that the CEO is always the highest authority in the execution of business. The position of chairman executive officer represents a special assignment given by the CEO. Specifically, in the current fiscal year I plan to further enhance corporate governance, develop management personnel, and build an external network. Already, we have taken swift measures to enhance and reinforce corporate governance. In April 2021, we launched the Corporate Governance Council, which hosts frank discussions with outside experts when necessary. When we introduced an executive officer system in the early 2000s, we were proud to be a governance pioneer among major Japanese companies. As society’s expectations rapidly change and diversify, however, I feel that the evolution of our governance has been somewhat lacking in pace in recent years. Although the development of governance is an endless task, we intend to use the establishment of the Corporate Governance Council as an opportunity to comprehensively review and improve our governance system. In my new role, I will press ahead with initiatives aimed at increasing the MOL Group’s corporate value even further.

Junichiro Ikeda

Representative Director
Chairman Executive Officer



I am confident that our new CEO, Takeshi Hashimoto, will provide MOL with strong leadership in this period of transformation.

Messages from the Chairs of the Advisory Committees

Nomination Advisory Committee

Always keeping in mind the enhancement of corporate value and ESG value, the Nomination Advisory Committee engages in constructive discussions.

As society continues to change constantly, succession plan of the CEO and selection of directors in order to enhance corporate value over the long term is extremely important for management. From this perspective, the role of the Nomination Advisory Committee is becoming more and more important and this committee is required to function more effectively.

The Nomination Advisory Committee of MOL was established in fiscal 2015. While ensuring objectivity, transparency, and credibility, a majority of directors are outside directors and the chair is also an outside director, who is taking turns every year, the committee engages in lively and constructive discussions. As an outside director and member of the committee, I am always keeping in mind the need to share the point of view of the shareholders, while considering the sustained enhancement of corporate value as well as ESG factors and other aspects of social value. In fiscal 2019, outside Audit & Supervisory Board members were able to be nonvoting participants in the advisory committees, which has enabled discussions from a greater diversity of perspectives. In recent years, we have been thinking about how nominations should be made within a larger framework, such as what kind of presence the Company should have in the international community, including initiatives to address climate change. As a result, our discussions have become more strategic in nature.

Nomination Advisory Committee members have more opportunities to meet face-to-face with the executive officers, which is helping us to select and develop candidates for the

next generation of directors from a wider pool of talent. When our standpoint is outside a company, there can be unavoidable difficulties in obtaining sufficient internal information. However, I believe that minimizing information asymmetry will make the committee more effective from a long-term perspective.

Careful consideration was devoted to formulating a succession plan and analyzing the recent appointment of a new CEO.

In explaining the process of appointing the new CEO last year, I should begin by describing the formulation of a succession plan. A succession plan is a framework that is essential for a company's sustained growth. MOL formulated a succession plan in fiscal 2020 and disclosed in its corporate governance report. It was the result of our careful consideration over more than a year. In particular, we discussed the requirements of the CEO from a wide range of perspectives. Ultimately, we decided that "the results expected from a CEO" should be our starting point. For this requirement, we made eight requirements related to nature and mindset and seven requirements related to practical competency. We have also established a framework in which the list of potential successors is updated annually in light of these requirements as well as consideration of the solicitation of external candidates. Such processes are important to ensure that all stakeholders are satisfied with MOL's outcome. Moreover, our recent efforts clarified the criteria and procedures for not only the selection but dismissal of CEOs. In this way, the formulation of the succession plan was a good opportunity for the Nomination Advisory Committee to take a more active role in the nomination.

Takeshi Hashimoto, the new CEO, was one of the names on the list of potential successors. A major deciding factor was the leadership that he has displayed in the LNG carrier and off-shore businesses, which are priority business fields for MOL strategically and becoming core business fields. Mr. Hashimoto earned high marks for his expertise in the energy sector, the extensive international network that he has cultivated, and the management skills he has shown in especially the realization of a decarbonized society.

In addition, given the volatility of the marine transport industry's business environment, leaders must be able to detect changes in conditions by gathering information and seeing the big picture and adopt flexible stances in response to changing circumstances. The blog that the CEO has been posting on the intranet since April presents just such a big picture as he stays abreast of many different fields and developments, including international politics, macroeconomics, the energy industry, the future of decarbonization, and capital market trends. I believe that he will lead the entire Group by mulling and clearly presenting a strategic vision based on this wide perspective.

I expect the chairman executive officer to utilize the experience and knowledge that the Board needs for the execution of business.

In connection with the change of CEO, the Nomination Advisory Committee also discussed the role of the chairman executive officer. Although some concerns were raised about the structure of management becoming multilayered and his holding of supervisory and executive positions, in the end the committee decided on a governance system that clearly establishes the CEO's supreme authority over business execution and gave more weight to maximizing corporate value by utilizing the insights of someone with experience in serving as CEO. Further, the chairman executive officer, Junichiro Ikeda, has a global network of contacts in economic organizations and industries, and we are confident that these will bring great benefits to MOL. We also believe that the senior management team will be enhanced by an experienced former CEO backing up a current CEO who is responsible for business execution. The effectiveness of this management framework will be carefully and constantly monitored by the Board of Directors and the Nomination Advisory Committee, and I believe that once concrete results are produced under the framework, it will live up to every stakeholder's expectations.

We must continue to consider the management organization from a backcasting perspective.

In fiscal 2021, the Remuneration Advisory Committee revised the director remuneration plan by increasing long-term incentives. The highest priority is constructing a management structure that is consistent with the enhancement of corporate value, ESG value, and other types of social value. In light of this backcasting perspective, the Company's corporate philosophy, and the profile MOL wants to have 10 years later, we must always keep in mind the kinds of skills, values, and backgrounds that directors should have to achieve this profile.

In clarifying the required skill sets, we need to discuss in greater detail the skills matrix that the Company began disclosing in fiscal 2020. This clarification will allow us to select candidates and foster the next generation of senior executives based on the skills that are needed to solve management issues. In addition, given that MOL is already engaged in business activities globally and employs personnel from many different countries, ensuring diversity in terms of the nationalities in the Board of Directors will be essential. From the viewpoints of the senior management team's composition and the international development of businesses, securing non-Japanese senior executives is important.

The Nomination Advisory Committee will also need to flexibly adapt its approaches in accordance with the profile MOL is targeting 10 years from now. In this sense, and with the change of CEO, I have high expectations for the discussions that the Nomination Advisory Committee will be able to hold under our new Board and hope that members will become even more actively involved in evolving the committee. The committee will continue to ensure accountability to MOL's stakeholders while always emphasizing objectivity, transparency, and credibility.



Etsuko Katsu
Outside Director

We must continue optimizing the effectiveness of the Board of Directors by backcasting from the desirable future of MOL.

Overview of the Nomination Advisory Committee [Fiscal 2020]

<p>Chair of committee: Etsuko Katsu (outside director)</p> <p>Committee members: Junichiro Ikeda Hideto Fujii (outside director) Masaru Onishi (outside director)</p>	<p>Percentage of outside directors: 75%</p> <p>Number of meetings: 5</p>
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Main Agenda Items in Fiscal 2020

- Development of management personnel
- Selection of the next CEO based on the succession plan for the president and CEO
- Election of directors and executive officers for fiscal 2021 and other matters

Remuneration Advisory Committee

The role of the Remuneration Advisory Committee's chair is to encourage fruitful discussions and thereby help sustain the enhancement of the MOL Group's corporate value.

With respect to its governance system, MOL is a company with an Audit & Supervisory Board, and the Board of Directors has both executive and supervisory functions. Although investors sometimes point out that execution and supervision should be separated, I believe the governance system functions effectively because it brings together and enables discussions among those with supervisory positions and viewpoints, such as outside directors and Audit & Supervisory Board members, and those who have executive positions and viewpoints and are well-versed in the businesses. In addition, MOL has enhanced the transparency and objectivity of governance by establishing the Remuneration Advisory Committee as a voluntary body for deliberation and examination of director remuneration plan that is chaired by an outside director and comprises a majority of outside directors. In fiscal 2020, I chaired the Remuneration Advisory Committee. I believe that the chair's role is to maximize shareholder value as a representative appointed by shareholders, take into consideration all other stakeholders, and realize sustainable enhancement of the MOL Group's corporate value as well as to encourage fruitful discussions that support these efforts.

In the recent revision of the director remuneration plan, we designed the system with a view to resolving four issues.

Revision of the director remuneration plan was the biggest initiative for the Remuneration Advisory Committee in fiscal 2020. Remuneration systems are closely linked to corporate culture, and implanting a system that is inconsistent with a company's values and organization causes dysfunction. For example, the ideal form for a remuneration system changes depending on whether a company emphasizes working as a team or as an individual. While considering the current corporate culture, it should be considered how to inspire the senior management team so that it could achieve the corporate vision and design a system that will encourage transformation.

In designing a new director remuneration plan, we have focused on resolving four issues that were not being fully addressed by the current remuneration plan.

First, we sought to incorporate into the remuneration plan incentives that are consistent with the characteristics of MOL's business. In marine transport, corporate performance is extremely susceptible to the market conditions at any given time. Even with the best efforts, controlling fluctuations in near-term corporate performance is extremely difficult. On the other hand, the nature of the business is such that seeds planted now influence the performance trends and single-year business results of the future. In light of the aforementioned characteristics, we have established long-term target contribution-based remuneration (stock remuneration) that accounts for the same percentage of total remuneration as single fiscal year performance-based remuneration (cash remuneration).

The next issue is related to the stock option system itself. The basic purpose of the stock option system was to foster a common interest between directors and shareholders. However, since the exercising of rights was up to the individual, the system did not always achieve its purpose. As a result, the number of shares of the Company held by directors did not increase as much as expected. To address this issue and create a system that increases the sharing of values between directors and shareholders, we have introduced performance-linked stock remuneration in which long-term target contribution-based remuneration is paid in the form of shares themselves.

In rectifying the third issue, we revised single fiscal year performance-based remuneration. Although MOL had been using performance-based bonuses, there was room for discretion in the management of these bonuses. For example, the Company's performance in fiscal 2019 was good enough to warrant the payment of bonuses in fiscal 2020 that surpassed those paid in the previous fiscal year. However, as the COVID-19 pandemic made the performance outlook uncertain at the beginning of fiscal 2020, it was decided to drastically curtail the bonuses paid to directors in the same fiscal year. While made in light of the severe business environment at the time, this decision was not in line with the purpose of the system, which was to evaluate based on results. In formulating the new single fiscal year performance-based remuneration, we made the evaluation criteria as quantitative as possible to increase transparency and realize bonuses that are acceptable to both directors and shareholders.

Last, the fourth improvement introduced is the incorporation of a multi-stakeholder perspective. Specifically, we have included safe operation as an evaluation indicator in single fiscal year performance-based remuneration and Total Shareholder Return (TSR) as an evaluation indicator in long-term target contribution-based remuneration. I think incorporating safe operation as an evaluation indicator not only for the executive in charge of safety but for all directors is particularly noteworthy. Even without dwelling on the grounding and oil spill accident off the coast of Mauritius in 2020, the paramount importance of safe operation in marine transport is evident, and this importance should of course be reflected in remuneration. I hope that this change will raise the safety awareness of the entire Group even further.

The optimal form for a remuneration plan changes over time. We will continue to engage in active discussions with a view to evolving governance.

Fiscal 2020 was a year in which we focused on the establishment of a new director remuneration plan. Going forward, the primary task of the Remuneration Advisory Committee will be to verify whether the new plan is actually functioning as intended. If these verification activities reveal areas that are not functioning properly, naturally we will need to make necessary adjustments. Additionally, scope remains for further development of the system in terms of a multi-stakeholder perspective. For example, themes such as the environment, the SDGs, and employee engagement have yet to be incorporated into indicators.

While avoiding excessive complexity that could impair the functionality of the system, we will continue deliberations on maximizing the use of indicators in evaluation criteria and disclosing such indicators as ways of increasing transparency and credibility. As for financial indicators, ROE has been chosen as an evaluation benchmark in the remuneration plan with the aim of aligning with the management plan. A time may come, however, when we need to discuss whether this indicator is appropriate.

The target profiles of companies change with the times, and a remuneration plan should evolve accordingly to promote and support the realization of these profiles. We have revised the director remuneration plan on this occasion, but I believe the ideas that form the basis of the plan are applicable to the design of remuneration plans for the entire MOL Group, including employees. We will continue active discussions for the further evolution of governance to support sustained enhancement of MOL's corporate value.

Masaru Onishi
Outside Director

To support the realization of MOL's vision, we must change the remuneration plan as required.

Overview of the Remuneration Advisory Committee (Fiscal 2020)

Chair of committee: Masaru Onishi (outside director)	Percentage of outside directors: 75%
Committee members: Junichiro Ikeda Hideto Fujii (outside director) Etsuko Katsu (outside director)	Number of meetings: 8

Main Agenda Items in Fiscal 2020

- Fiscal 2019 bonuses for directors and fiscal 2020 remuneration for directors
- Revision of the director remuneration plan
- Policy for decisions on matters such as remuneration of individual directors pursuant with an amendment to the Companies Act and other matters

Board of Directors, Audit & Supervisory Board Members, and Executive Officers

[As of June 22, 2021]

Nomination Advisory Committee

Remuneration Advisory Committee



Junichiro Ikeda

Representative Director

Born 1956

Number of the Company's shares held: 23,700 shares
Attendance at the Board of Directors' meetings:
14 of 14 [Attendance rate: 100%]
Number of years as Director: 8 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)



Takeshi Hashimoto

Representative Director

Born 1957

Number of the Company's shares held: 10,700 shares
Attendance at the Board of Directors' meetings:
14 of 14 [Attendance rate: 100%]
Number of years as Director: 6 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)



Akihiko Ono

Representative Director

Born 1959

Number of the Company's shares held: 8,400 shares
Attendance at the Board of Directors' meetings:
14 of 14 [Attendance rate: 100%]
Number of years as Director: 3 years

Apr. 1983 Joined Mitsui O.S.K. Lines, Ltd.
Jun. 2010 General Manager of Corporate Planning Division
Jun. 2011 Executive Officer, General Manager of
Corporate Planning Division
Jun. 2015 Managing Executive Officer
Apr. 2017 Senior Managing Executive Officer
Jun. 2018 Director, Senior Managing Executive Officer
Apr. 2020 Representative Director,
Executive Vice President Executive Officer (to present)



Hideto Fujii

Outside Director (Independent Officer)

Number of the Company's shares held: 2,000 shares
Attendance at the Board of Directors' meetings:
14 of 14 [Attendance rate: 100%]
Number of years as Outside Director: 5 years

Jun. 2015 Adviser, Sumitomo Corporation (to present)
Jun. 2016 Outside Director, Mitsui O.S.K. Lines, Ltd. (to present)



Etsuko Katsu

Outside Director (Independent Officer)

Number of the Company's shares held: 2,000 shares
Attendance at the Board of Directors' meetings:
14 of 14 [Attendance rate: 100%]
Number of years as Outside Director: 5 years

Apr. 2003 Professor, School of Political Science and
Economics, Meiji University (to present)
Jun. 2016 Outside Director, Mitsui O.S.K. Lines, Ltd.
(to present)
Nov. 2016 Administrative Board Member,
International Association of Universities (IAU)
(to present)
Apr. 2018 Chairman of Fund Management Advisory Committee,
The Japan Foundation (to present)
Mar. 2019 Outside Director (Audit and Supervisory Committee
Member), Dentsu Group Inc. (to present)



Masaru Onishi

Outside Director (Independent Officer)

Number of the Company's shares held: 800 shares
Attendance at the Board of Directors' meetings:
14 of 14 [Attendance rate: 100%]
Number of years as Outside Director: 2 years

Apr. 2013 Trustee, KEIZAI DOYUKAI (Japan Association of
Corporate Executives) (to present)
Jun. 2015 Trustee, International University of Japan (to present)
Jul. 2018 Visiting Professor, Toyo University (to present)
Jun. 2019 Outside Director, TEIJIN LIMITED (to present)
Jun. 2019 Outside Director, Mitsui O.S.K. Lines, Ltd.
(to present)
Feb. 2021 Senior Advisor, Alton Aviation Consultancy Japan
Co., Ltd. (to present)
Jun. 2021 Outside Director, Kadoya Sesame Mills Inc. (to present)



Toshiaki Tanaka

Director

Born 1960

Number of the Company's shares held: 4,600 shares
Attendance at the Board of Directors' meetings:
10 of 10 [Attendance rate: 100%]
Number of years as Director: 1 year

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
(to present)



Kenta Matsuzaka

Director

Born 1961

Number of the Company's shares held: 2,300 shares
Attendance at the Board of Directors' meetings: -
Number of years as Director: -

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)



Yutaka Hinooka

Director

Born 1961

Number of the Company's shares held: 4,000 shares
Attendance at the Board of Directors' meetings: -
Number of years as Director: -

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 (to present)



Toshiaki Takeda

Audit & Supervisory Board Member

Born 1964

Attendance at the Board of Directors' meetings:
14 of 14 [Attendance rate: 100%]
Attendance at the Audit & Supervisory Board
Members' meetings: 11 of 11
[Attendance rate: 100%]
Number of years as Outside Director: 2 years

Apr. 1986 Joined Mitsui O.S.K. Lines, Ltd.
Jun. 2013 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)



Masanori Kato

Audit & Supervisory Board Member

Born 1961

Attendance at the Board of Directors' meetings: -
Attendance at the Audit & Supervisory Board
Members' meetings: -
Number of years as Outside Director: -

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)



Hideki Yamashita

Outside Audit & Supervisory Board Member
(Independent Officer)

Attendance at the Board of Directors' meetings:
14 of 14 [Attendance rate: 100%]
Attendance at the Audit & Supervisory Board
Members' meetings: 11 of 11
[Attendance rate: 100%]
Number of years as Outside Director: 7 years

Apr. 1982 Registered as an attorney at law
Apr. 1985 Established YAMASHITA HIDEKI LAW
OFFICE (now YAMASHITA & TOYAMA
LAW OFFICE) (to present)
Mar. 2012 Outside Corporate Auditor, I-cell
Networks Corp. (to present)
Jun. 2014 Outside Audit & Supervisory Board
Member, Mitsui O.S.K. Lines, Ltd.
(to present)



Junko Imura

Outside Audit & Supervisory Board Member
(Independent Officer)

Attendance at the Board of Directors' meetings:
13 of 14 [Attendance rate: 93%]
Attendance at the Audit & Supervisory Board
Members' meetings: 11 of 11
[Attendance rate: 100%]
Number of years as Outside Director: 2 years

Aug. 1994 Registered as a certified
public accountant
Sep. 2015 Visiting Professor, Tama Graduate
School of Business (to present)
Jul. 2018 Established Imura Accounting Office
(to present)
Jun. 2019 Outside Audit & Supervisory Board
Member, Mitsui O.S.K. Lines, Ltd.
(to present)
Dec. 2019 Outside Audit & Supervisory Board
Member, T. HASEGAWA CO., LTD.
(to present)
Jun. 2020 Outside Director, Audit and
Supervisory Committee Member,
Mitsubishi UFJ Trust and
Banking Corporation
(to present)

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

Executive Officers

Junichiro Ikeda

Chairman Executive Officer

Takeshi Hashimoto

President, Chief Executive Officer

Akihiko Ono

Executive Vice President Executive Officer
Assistant to President, Chief Safety Officer Chief Compliance Officer, Chief Information Officer, Deputy Director General of Safety Operations Headquarters, Deputy Director General of Technology Innovation Unit, Responsible for Refreshing organization, Enhancing group management, Recovery of environmental damage from the WAKASHIO incident and contribution to the Mauritian community, Secretaries & General Affairs Division, MOL Information Systems, Ltd.

Toshiaki Tanaka

Senior Managing Executive Officer
Chief Environment and Sustainability Officer, Director General of Dry Bulk Business Unit, Responsible for Environment & Sustainability Strategy Division, Supervisor for Corporate Marketing Division

Kenta Matsuzaka

Senior Managing Executive Officer
Director General of Energy and Offshore Business Unit, Responsible for Europe and Africa Area

Masato Koike

Managing Executive Officer
Deputy Director General of Energy and Offshore Business Unit, Responsible for Bunker Business Division, Tanker Division

Yutaka Hinooka

Managing Executive Officer
Chief Communication Officer, Responsible for Corporate Planning Division, Corporate Communication Division, Accounting Division

Toshinobu Shinoda

Managing Executive Officer
Deputy Director General of Dry Bulk Business Unit, Responsible for Work Efficiency Improvement, Dry Bulk Business Planning & Co-ordination Division, Iron Ore & Coal Carrier Division

Hirofumi Kuwata

Managing Executive Officer
Deputy Director General of Dry Bulk Business Unit, Deputy Director General of Energy and Offshore Business Unit, Responsible for Power Solution & Carbon Project Division, Wind Power Energy Business Division, Secondly Responsible for Ferry and Associated Business Division

Nobuo Shiotsu

Managing Executive Officer
Responsible for Asia, the Middle East and Oceania Area, Managing Director of MOL (Asia Oceania) Pte. Ltd., Managing Director of MOL Treasury Management Pte. Ltd.

Hiroyuki Nakano

Managing Executive Officer
Deputy Director General of Energy and Offshore Business Unit, Responsible for Offshore Project Division, Secondly Responsible for Offshore Technical Division

Hiroto Ushioku

Managing Executive Officer
Director General of Product Transport Business Unit, Responsible for The Americas Area, Car Carrier Division

Kazuhiko Kikuchi

Managing Executive Officer
Deputy Director General of Dry Bulk Business Unit, President of MOL Drybulk Ltd.

Junko Moro

Managing Executive Officer
Responsible for Diversity Promotion, Corporate Communication Division (ER), Human Resources Division

Mitsuru Endo

Executive Officer
Deputy Director General of Safety Operations Headquarters, Responsible for Marine Technical Management Division, LNG Marine Technical & Ship Management Strategy Division, Secondly Responsible for Marine Safety Division, Smart Shipping Division

Osamu Sakurada

Executive Officer
Deputy Director General of Product Transport Business Unit, Responsible for Regional Strategy in Japan, Port Projects & Logistics Business Division, Ferry and Associated Business Division

Ryusuke Kimura

Executive Officer
Chief Digital Officer, Assistant to Chief Information Officer, Deputy Director General of Technology Innovation Unit, Deputy Director General of Product Transport Business Unit, Responsible for Corporate Marketing Division, Liner Business Management Division

Kyoya Nitta

Executive Officer
Deputy Director General of Energy and Offshore Business Unit, Responsible for Energy Business Strategy Division

Akio Mitsuta

Executive Officer
Deputy Director General of Energy and Offshore Business Unit, Responsible for Tanker Division (Chemical Tanker Business), Managing Director/Chief Executive Officer of MOL Chemical Tankers Pte. Ltd.

Ryoji Mitani

Executive Officer
General Manager of Accounting Division

Mitsuhiro Tanimoto

Executive Officer
Assistant to Chief Safety Officer, Director General of Safety Operations Headquarters, Responsible for Human Resources Division, Marine Safety Division, Secondly Responsible for Offshore Technical Division, Smart Shipping Division

Makoto Yamaguchi

Executive Officer
Chief Technical Officer, Director General of Technology Innovation Unit, Responsible for Technical Division, Offshore Technical Division, Smart Shipping Division, Secondly Responsible for MOL Information Systems, Ltd.

Hisashi Umemura

Executive Officer
Chief Financial Officer, Responsible for Corporate Communication Division (IR), Finance Division

Kazuya Hamazaki

Executive Officer
Deputy Director General of Energy and Offshore Business Unit, Responsible for LNG Carrier Division, Offshore Gas Project Division, LNG Marine Technical & Ship Management Strategy Division

Corporate Governance

Corporate Governance That Supports Sustainable Growth and Greater Corporate Value

Around the year 2000, MOL appointed outside directors and introduced an executive officer system, creating an advanced and highly transparent corporate governance structure for a Japanese company at the time. Due to the constantly changing business conditions and risk profiles in the marine transport industry, management needs to be able to effectively allocate business resources in a sophisticated manner while striking a delicate balance between offensive and defensive strategies and accurately grasping business conditions and risks. We believe corporate governance should aim to achieve

sustainable growth and greater corporate value through swift and decisive decision-making based on appropriate risk control, while ensuring transparency and fairness in management and incorporating the opinions of diverse stakeholders. In recent years, the level of governance demanded of listed corporations by society has only increased, and we will continue to focus efforts on improving our corporate governance in order to remain a company chosen by our stakeholders.

Governance Summary (As of June 30, 2021)

Governance System	Total Directors	Total Audit & Supervisory Board Members	Independent Officers (Directors and Audit & Supervisory Board Members)
Company with an Audit & Supervisory Board	9 Including outside directors (ratio) 3 (33.3%) Including female directors (ratio) 1 (11.1%)	4 Including outside members (ratio) 2 (50%)	5
Term of Directors	Number of Board Meetings Held	Attendance Rate of Outside Directors for Board Meetings	
1 year	14 (Fiscal 2020)	100% (Fiscal 2020)	
Voluntary Committees	President and CEO Succession Plan	Performance-Based Compensation	Retirement Benefit System
Yes (Nomination Advisory Committee and Remuneration Advisory Committee)	Yes	Yes (Cash and stock)	No
Cross-Shareholdings as Percentage of Net Assets		Anti-Takeover Measures	
8.8% (including unlisted stocks) (as of March 31, 2021)		No	

Past Initiatives to Improve Governance

Achievements in Fiscal 2019

- Formulated succession plan for president and CEO
- Outside Audit & Supervisory Board members participate on Nomination Advisory Committee and Remuneration Advisory Committee as an observer
- Created skills matrix for directors
- Reduced cross-shareholdings

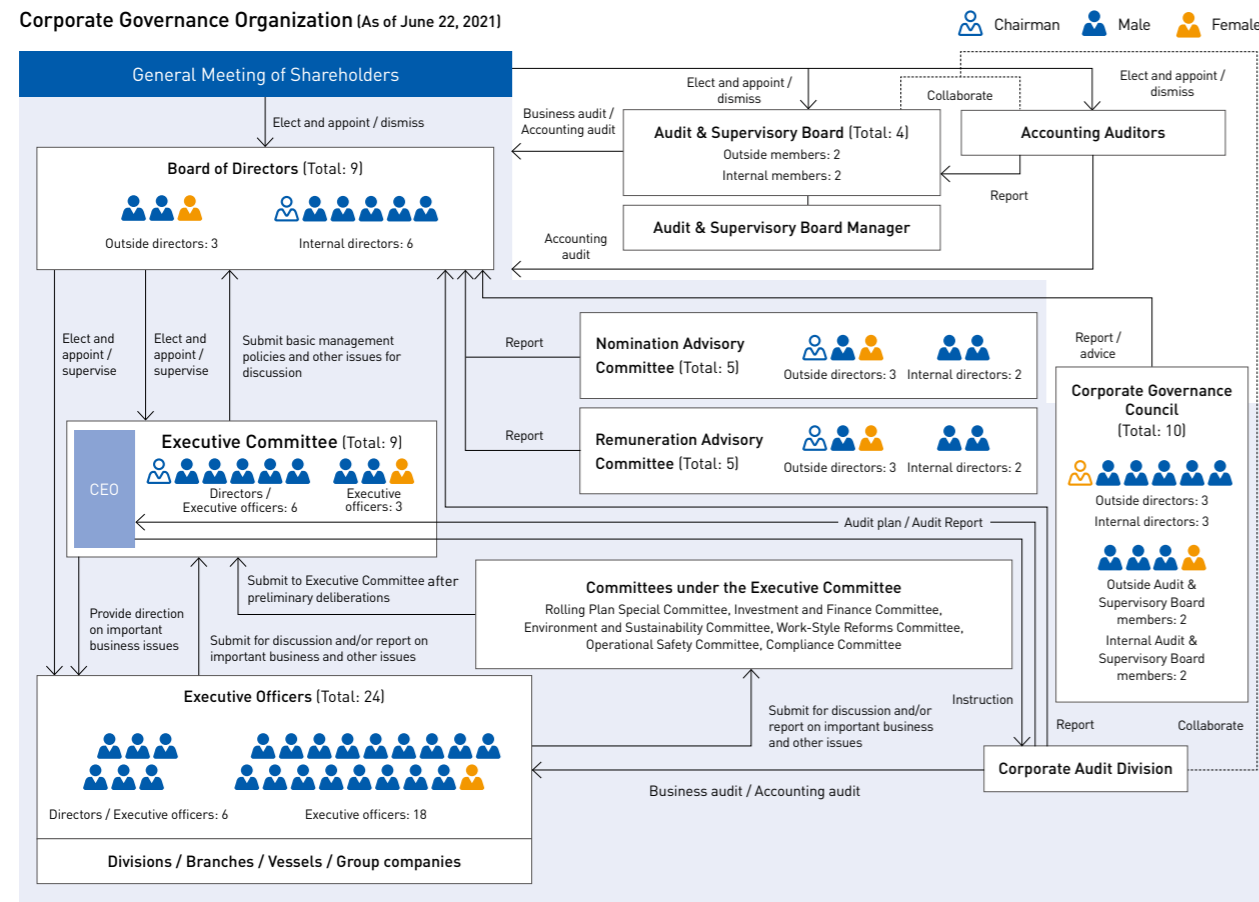
Achievements Since Fiscal 2020

- Reformed director remuneration plan (introduced performance-linked stock compensation)
- Updated skills matrix for directors and included in notifications about convocation of General Meeting of Shareholders
- Established Corporate Governance Council
- Reduced cross-shareholdings

Corporate Governance Structure

MOL has established a corporate governance system that maximizes shareholder profits through the most appropriate allocation of management resources, with higher transparency of corporate management.

Corporate Governance Organization (As of June 22, 2021)



Major Organizations

Name	Details
Board of Directors	As the central decision-making body of the Company, the Board of Directors deliberates and make decisions on the basic policies and the most important matters for the management of the MOL Group. In addition, the Board of Directors also conducts the "Deliberation on Corporate Strategy and Vision," during which the directors exchange opinions freely with outside directors and outside Audit & Supervisory members on management strategies, the long-term vision, and other subjects related to overall management. In fiscal 2020, the Deliberation on Corporate Strategy and Vision was held five times for members of the Board of Directors, and despite each member having an extremely tight schedule, each meeting fully used up the prescribed 90 minutes (see page 67 for the main topics they discussed).
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 about the Company and its operations 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 Committee and the Remuneration Advisory Committee are established as arbitrary organizations under the Board of Directors. Both committees are chaired by outside directors and are composed of three outside directors, the Chairman, and the CEO. The Nomination Advisory Committee deliberates on the election, appointment, and dismissal of directors and executive officers, as well as proposals for the next CEO based on the succession plan. From an objective standpoint, the Remuneration Advisory Committee deliberates and reports its findings for director remuneration, including incentives for long-term enhancement of corporate value, as well as for the operation of related systems, including the methods and amount of bonuses.
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.
Corporate Governance Council	Due to the difficulties in securing sufficient time for debate at the current Board of Directors, the Corporate Governance Council was established under the Board of Directors in fiscal 2021 to serve as a forum for facilitating discussion, while incorporating outside knowledge, with respect to overall issues related to enhancing and strengthening the corporate governance structure. The council plans to hold more in-depth and objective discussions about related topics by appointing external experts and have them participate in meetings depending on the agenda.

Main Agenda Items for the Board of Directors' "Deliberation on Corporate Strategy and Vision" in Fiscal 2020

Month	Agenda	Month	Agenda
July	Business plans of respective sales division and Companywide investment based on those plans	October	Environment and sustainability promotion structures
September	Strategies for offshore business (constituting the next step beyond transport of fossil fuels)	December	Direction of next management plan
		January	LNG carrier business policy (to be a consistently exceptional company in the LNG business)

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

The MOL Group has set up the Nomination Advisory Committee in order to improve objectivity and transparency in selection procedures for directors and Audit & Supervisory Board members and also to strengthen accountability. The committee selects the candidates based on its set of standards and submits a report to the Board of Directors (candidates for Audit & Supervisory Board member are selected with the consent of the Audit & Supervisory Board). Since fiscal 2019, outside Audit & Supervisory Board members have also attended committee meetings to voice their opinions as observers for the purpose of strengthening audit functions.

The Board of Directors nominates the candidate directors and Audit & Supervisory Board members, taking into account reports submitted by the Nomination Advisory Committee.

Standards for Appointing Directors

- Personnel who are able to contribute to enhancement of the corporate value of the Company based on a wealth of experience and knowledge
- Personnel who are able to make management decisions globally from a broad-ranged perspective and foresight
- Personnel with high ethical standards and solid common sense

Standards for Appointing Audit & Supervisory Board Members

- Personnel who have an appropriate set of experience, qualification, ability, and expertise
- Personnel who possess a high degree of financial and accounting knowledge (more than one member)

Expected Expertise and Attributes for Directors

	Corporate management	Finance	Business strategy / Marketing	Global business	Risk management / Compliance	ESG	ICT / DX	Government agencies / Research institutions
Internal	Junichiro Ikeda Representative Director	●		●	●	●		
	Takeshi Hashimoto Representative Director	●	●	●	●			
	Akihiko Ono Representative Director	●		●	●	●	●	
	Toshiaki Tanaka Director			●	●	●		
	Kenta Matsuzaka Director	●		●	●			
	Yutaka Hinooka Director		●		●	●		
	Outside	Hideto Fujii Outside Director (Independent Officer)		●			●	
Etsuko Katsu Outside Director (Independent Officer)			●	●		●		●
Masaru Onishi Outside Director (Independent Officer)		●		●	●	●	●	

The chart above shows expected expertise and attributes, but does not indicate all the knowledge or expertise each director possesses.

President and CEO Succession Plan

To appoint a president and CEO (hereinafter referred to as the "CEO") who is eligible for the Company in a timely and appropriate manner, MOL formulated a succession plan in fiscal 2019 for the CEO that contains requirements, the appointment procedures, and a cultivation plan for successor candidates. The Nomination Advisory Committee will deliberate on a plan for

the next CEO (including the re-appointment and dismissal of the incumbent CEO) based on the succession plan and submit it to the Board of Directors. The new CEO appointed on April 1, 2021 was nominated in accordance with this succession plan.

Method of Computing Remuneration for Directors and Audit & Supervisory Board Members

Director Remuneration

In June 2021, MOL revised its director remuneration system as outlined below, following a resolution by the Board of Directors based on the advice of the Remuneration Advisory Committee and approval at the General Meeting of Shareholders.

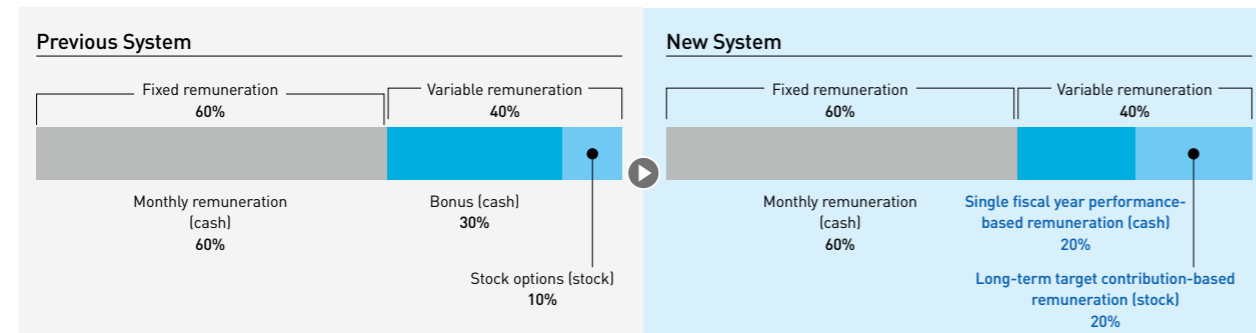
Purpose of Revisions

- Provide incentives to achieve the MOL Group Vision and management plan (rolling plan) while encouraging to perform duties that align with MOL CHARTS, the MOL Group's values and code of conduct
- Provide a remuneration system that is suitable for securing human resources and leads to the greater motivation of employees to become directors
- Remuneration percentages are appropriately set in accordance with short-term and medium- to long-term performance in light of the nature of the business. Director remuneration plans are designed to foster a healthy entrepreneurial spirit, further align values with shareholders, and improve even more the transparency and fairness of system operations.

Highlights of Revisions

- Introduction of long-term target contribution-based remuneration (stock) to strengthen long-term incentives, employ a highly transparent, quantitative evaluation standards
- Inclusion of safe operations indicator in evaluation standards for single fiscal year performance-linked remuneration (cash) to incorporate social responsibility perspectives

Change in Remuneration Structure from Revision in Systems (Model remuneration when performance targets achieved)



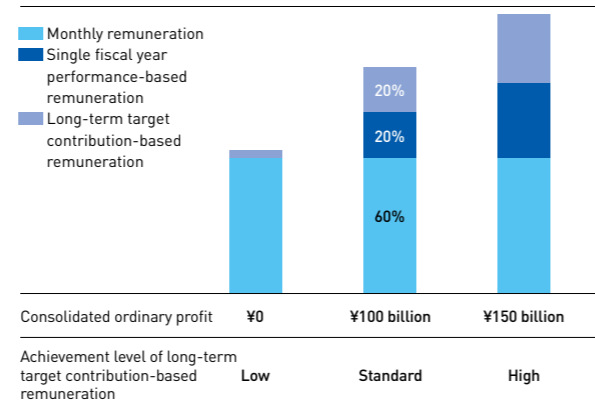
* The above diagrams are illustrations calculated based on a certain level of the Company's business performance and share price. The percentages shown above may change depending on the Company's business performance, share price, etc. For outside directors, under the previous system, remuneration consisted of monthly remuneration, bonuses, and stock options. However, since their main role is to supervise business execution, under the new system, remuneration for outside directors is only monthly remuneration (cash).

Monthly Remuneration (Cash)	Monthly remuneration is paid as a fixed remuneration based on responsibilities to encourage robust business execution.
Single Fiscal Year Performance-Linked Remuneration (Cash)	Single fiscal year performance-linked remuneration was newly introduced to (1) link remuneration to consolidated ordinary profit, a performance indicator in the Rolling Plan, to incentivize achievement of goals in the plan, and (2) link to the safe operations KPI and 4ZER0ES benchmark in order to reflect safety in evaluations and foster a greater awareness in our Company. In addition, to provide an incentive for directors in charge of business divisions to improve the performance in their business division, the degree of achievement of the profit targets are reflected to the amount paid, as a surplus to Companywide performance.
Long-Term Target Contribution-Based Remuneration (Stock)	MOL introduced a performance-linked stock remuneration system with the objective of aligning the values of its directors (excluding outside directors) more closely with those of shareholders by increasing their stake in the Company and remuneration paid are linked to its medium- to long-term share price and performance. Under this system, as shown in the chart below, 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.

Evaluation Indicators for Long-Term Target Contribution-Based Remuneration

Indicators	Weight	Reason for choosing this indicator
(i) (a) Comparison of the Company's Total Shareholder Return (TSR) and growth rate of Tokyo Stock Price Index (b) Comparison of the Company's TSR growth rate to competitors' TSR growth rates	30%	Incentive to see share price increase
(ii) ROE	40%	Incentive to improve profit attributable to owners of parent and increase efficiency of shareholders' equity
(iii) Individual medium- to long-term contribution targets	30%	Promote initiatives in the fiscal year that will show results in future years, in order to enhance corporate value

Illustration of Director Remuneration Payments by Achievement Level



Remuneration for Audit & Supervisory Board Members

Remuneration for Audit & Supervisory Board members is determined based on discussions between the members within the limits approved at the General Meeting of Shareholders, with consideration given to whether an Audit & Supervisory Board member serves in a full-time capacity or not, the amount of auditing work assigned, and the levels of director remuneration. Bonuses and stock options are not provided to Audit & Supervisory Board members.

Remuneration for Directors and Audit & Supervisory Board Members (Fiscal 2020)

Category	Number of people	Total compensation (millions of yen)	Total remuneration, by type (millions of yen)		
			Basic remuneration (monthly remuneration)	Performance-based remuneration (bonus)	Non-monetary remuneration (stock)
Directors (of which, outside directors)	9 (3)	460 (51)	274 (30)	172 (18)	13 (2)
Audit & Supervisory Board members (of which, outside Audit & Supervisory Board members)	4 (2)	85 (20)	85 (20)	— (—)	— (—)
Total (of which, outside members)	13 (5)	545 (72)	359 (51)	172 (18)	13 (2)

* The figures above include remuneration for one director (zero outside directors) who retired at the end of the Ordinary General Meeting of Shareholders held on June 23, 2020.
* Rounded down to the nearest one million yen.

Effectiveness Evaluation of the Board of Directors

MOL assesses and analyzes the effectiveness of its Board of Directors by conducting a self-assessment questionnaire each year and deliberating the results at a Board of Directors' meeting. We strive to further enhance Board of Directors' effectiveness by ascertaining issues through this process and formulating improvement measures.

Implementation of Effectiveness Evaluation	Implementation schedule Survey implementation: Early May Discussion about survey results: Late May	Main Items in Self-Assessment Survey <ul style="list-style-type: none"> Composition and operation of Board of Directors (agenda items, time allocation, form of the meetings, etc.) Quality of discussions of Board of Directors (consistency with corporate principles and business plans, risk controls, sustainability issues, consideration to the SDGs, etc.) Effectiveness of discussions about business plans Content of discussions about Deliberation on Corporate Strategy and Vision
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Results of Fiscal 2020 Evaluation	Based on the results of the survey, the Company deems that its Board of Directors is effectively functioning.	Areas in Need of More Discussion and Improvement <ul style="list-style-type: none"> Examine composition and diversity of Board of Directors, as well as skill sets required for the Company's operations in light of future business development, in order to address global environmental and sustainability issues Monitoring the progress of Rolling Plan 2021 in order to strongly advance the plan and conduct appropriate evaluation and examination of the results, giving shape to longer term policies Increase sophistication of the Company's risk management and overall internal controls by building a structure to systematically identify risks, and deploying Total Risk Control*1 Secure more time for debate about important matters by being more selective with agenda items and improving materials and explanations
	Main Reasons <ul style="list-style-type: none"> Secured a large amount of time for deliberation on formulating Rolling Plan 2021, in order to have intensive and procedural discussions on changes in the business environment due to the COVID-19 pandemic, and important next steps in medium- to long-term strategy while monitoring trends in the global economy as the pandemic ends Facilitated flexible discussions and decision-making based on the seriousness of the agenda item before the Board of Directors, through ad hoc meetings and online meetings of the Board of Directors Properly explained to the Board of Directors, following active deliberation, reforms to the director remuneration system, the execution of succession plans for the CEO, and the adequate operation of the Nomination Advisory Committee and Remuneration Advisory Committee, advisory entities to the Board of Directors 	

*1 Total Risk Control is our proprietary risk management method developed by adapting methods used by financial institutions for MOL's use. Please see page 73 for more details.

Policy for Fiscal 2021	MOL aims to improve the effectiveness of the Board of Directors further through the following initiatives in fiscal 2021, while referencing the issues identified in the fiscal 2020 evaluation. <ol style="list-style-type: none"> Examine and improve skill sets of directors based on future corporate governance policies Examine and evaluate progress on the management plan Rolling Plan 2021, secure sufficient time to discuss long-term management policies, and properly reflect the results of deliberations in the next management plan Establish system for deciding appropriate risk exposure by creating systematic risk management and internal controls Secure sufficient time to discuss important matters by being more selective of agenda items before the Board of Directors
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Policy for Cross-Shareholdings

MOL holds shares in companies with which it has important business relationships and close cooperative relationships, including business alliances, for the purpose of enhancing the growth and corporate value of the Company over the medium to long term by maintaining and strengthening these relationships. For the shares held by the Company, the rationality of holding them, such as the adequacy of the purpose and the profitability in light of the cost of capital, are reported to the Board of Directors individually every year. Following a comprehensive verification, shares that do not have adequate reasons to be kept are gradually reduced. As the result of the reduction of shares under this policy, the ratio of cross-shareholdings to net assets*2 was 8.8% as of March 31, 2021.

*2 The total balance sheet amount of investment securities held for purposes other than pure investment as a percentage of consolidated net assets