NOTICE OF CONVOCATION OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

For the Fiscal Year 2021
(From April 1, 2021 to March 31, 2022)

Mitsui O.S.K. Lines, Ltd.

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the Ordinary General Meeting of Shareholders of Mitsui O.S.K. Lines, Ltd. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the Japanese version shall be the official version.

[Translation for Reference and Convenience Purposes Only]

To our shareholders and investors

I would like to express my heartfelt gratitude to all of you for your ongoing support.

First let me extend my greetings as you examine the Business Report for FY2021.

During FY2021, each business benefited from the strong shipping market and performed much better than originally planned, and the Group as a whole achieved a new record ordinary profit and profit attributable to owners of parent by a considerable margin, despite some businesses that continued to face a difficult environment due to the impact of the novel coronavirus (COVID-19).

In the container shipping business, Ocean Network Express Pte. Ltd. performed much better than expected against the backdrop of strong transportation demand that recovered from the second half of the previous fiscal year and high market rates. The Dry Bulk Business and car carrier business improved performance with recovering market conditions, and in the Energy and Offshore Business, LNG carriers and FPSOs, which are mainly under long-term contracts, generated stable profits. On the other hand, the ferries and coastal RoRo ships business was affected by weak passenger demand under the COVID-19 pandemic as in the previous fiscal year, and the tanker business was affected by sluggish market conditions due to declining oil demand, both of which resulted in severe profitability.

Regarding dividends for FY2021, we intend to increase annual dividend per share by ¥1,050 from FY2020 to ¥1,200 (interim dividend of ¥300, year-end dividend of ¥900) with a 20% dividend payout ratio as a guideline, in returning profits to shareholders based on business performance for FY2021.

For FY2022, under the Management Plan "Rolling Plan 2022 (hereinafter, RP2022)," full-year consolidated forecasts are: revenues of ¥1,353 billion, business profit (operating profit + equity in earnings of affiliated companies) of ¥510 billion, ordinary profit of ¥525 billion, and profit attributable to owners of parent of ¥500 billion. The dividend payout ratio for the full year is planned to be 25%.

As of April, we have set considerably high profit targets for our profit plan for FY2022, given that shipping market conditions remain strong and our current performance remains favorable. Although the business environment surrounding the Group remains severe with rising geopolitical tensions such as the conflict in Russia and Ukraine, concerns about a slowdown in the global economy due to widespread inflation, and growing social demand for stronger measures to reduce environmental impact, we will ascertain accurate information and respond with agility and flexibility in order to overcome critical challenges and lead the Company to growth.

Having reached the goal of achieving the medium- to long-term profit targets that we have established since the start of the Rolling Plan in FY2017, we will bring the rolling management plan approach to a close with RP2022. In the current fiscal year, we will continue to work on advancing each strategy under RP2022, and at the same time, we will finalize a new conception for our company's further progress in the next management plan, which we plan to announce in FY2023, with a global perspective 10 years from now.

To build a foundation for growth, in addition to further strengthening safety and quality, which has always been the top priority of our business, we will prioritize the enhancement and revision of our organization and decision-making methods for strategic planning, a global HR policy that actively promotes foreign national and female executives, and the promotion of environmental policies, which is a pressing issue. In order to increase the effectiveness of our efforts to resolve these issues, in addition to our existing management policies of "Environmental Strategy," "Regional Strategy," "Portfolio Strategy," and "Enhancement of Organizational Strength and Workstyle Reform" to support these strategies, RP2022 newly establishes a policy of strengthening our "DX" (digital transformation) initiatives. We will draw up and announce our DX vision by the end of this fiscal year.

In April, we announced the MOL Group Sustainability Plan "MOL Sustainability Plan (MSP)." We have identified "sustainability issues" (materiality) as social issues that should be addressed as a priority through our business activities, and in light of changes in the external environment, including climate change and human rights issues, and in the business environment surrounding the MOL Group, we will review these issues and set targets, KPIs, and action plans for each issue to accelerate our efforts.

As a corporate group engaged in a wide range of social infrastructure businesses centered on traditional shipping businesses, we are committed to achieving sustainable growth and enhancing corporate value to deliver new value to our stakeholders through our commitment to "RP2022" and "MSP."

We ask for your continued support.

Takeshi Hashimoto

Representative Director
President, Chief Executive Officer

[Translation for Reference and Convenience Purposes Only]

Securities Code: 9104
May 31, 2022

To Shareholders with Voting Rights

Takeshi Hashimoto
Representative Director
President, Chief Executive Officer
Mitsui O.S.K. Lines, Ltd.
1-1, Toranomon 2-chome,
Minato-ku, Tokyo, Japan

NOTICE OF CONVOCATION OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are hereby given notified of the Ordinary General Meeting of Shareholders (the "Meeting") of Mitsui O.S.K. Lines, Ltd. ("MOL" or the "Company") will be held as set forth below.

We ask you to exercise your voting rights upon having reviewed the Reference Documents for the General Meeting of Shareholders provided in the following pages. You may exercise your voting rights either in writing using postal mail, or via the Internet.

We have decided to hold this year's Meeting having implemented appropriate measures to prevent COVID-19.

We will livestream the Meeting via the Internet (Japanese only) so that our shareholders are able to view the proceedings of the Meeting at any place.

We ask you to exercise your voting rights beforehand either in writing using postal mail, or via the Internet, because you will not be able to do so via the livestream. Please refer to pages 4 to 5 for guidance on how to take part in the Meeting, and how to exercise your voting rights.

1. Date and Time:	10:00 a.m., Tuesday, June 21, 2022 (Reception from 9:00 a.m.)
2. Place:	Toranomon Hills Forum, 5th floor, Toranomon Hills Mori Tower, 23-3, Toranomon 1-chome, Minato-ku, Tokyo, Japan
3. Agenda:	
Matters to Be Reported:	Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements for the Fiscal Year 2021 (From April 1, 2021 to March 31, 2022)
Proposals to Be Resolved:	
Proposal No. 1:	Appropriation of Surplus
Proposal No. 2:	Partial Amendments to the Articles of Incorporation
Proposal No. 3:	Election of Eight (8) Directors
Proposal No. 4:	Election of One (1) Audit & Supervisory Board Member
Proposal No. 5:	Election of One (1) Substitute Audit & Supervisory Board Member
Proposal No. 6:	Revision of Remuneration Limits for Directors
Proposal No. 7:	Matters Concerning Determination of Compensation Granting Restricted Stock to the Non-executive Directors including the Outside Directors
Proposal No. 8:	Revision of Remuneration Limit for Audit & Supervisory Board Members

[Translation for Reference and Convenience Purposes Only]

Should any modification to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements occur, the matters after modification will be posted on the Internet website of the Company (link below).

The Company's initiatives to address risk of COVID-19 infection

Please be advised that we will hold this year's Meeting with our operating procedures as described below in order to prevent the spread of COVID-19. We accordingly ask for your cooperation and understanding in this regard.

<Our operating procedures>
- Non-contact thermometers and alcohol disinfectants, etc. will be placed at the entrance to the venue.
- Staff will wear masks at all times and maintain an appropriate distance from shareholders.
- A first-aid room will be provided in case any shareholder is not feeling well.
- Seats at the venue will be adequately spaced.

<For shareholders attending at the Meeting venue>
- Shareholders who are considering attending the Meeting are requested to take note of their health condition prior to the Meeting and to make their own decision after confirming their physical condition.
- Please note that the staff may speak to those who appear to be in poor health on the day of the event.
- We ask for your cooperation of those attending the Meeting in preventing infection by wearing masks, taking your temperature at the venue entrance, and disinfecting with alcohol, etc.

If any changes arise as to our administration of the Meeting due to potential changes of situations before the meeting date, we will provide notification via the Company's website (link below). Please check the Company's website for the latest information in this regard.

<For shareholders not attending at the Meeting venue>
- We will livestream the Meeting via the Internet (Japanese only) so that you can view the proceedings from your home or elsewhere rather than at the venue. (Those who taking part in the Meeting via the livestream are asked to exercise their voting rights beforehand because you will not be able to exercise voting rights or ask questions on the day of the Meeting via the livestream.)
- We welcome questions submitted via the Internet prior to the Meeting. Among the submitted questions, we intend to address those that are of particular concern to many shareholders at the Meeting. (Please be aware that it will not be possible for us to answer shareholder questions on an individual basis.)

WEBSITE
https://www.mol.co.jp/en/ir/stock/gms/index.html

[Translation for Reference and Convenience Purposes Only]

How to Participate in the General Meeting of Shareholders and Exercise Your Voting Rights

If you wish to attend the venue of the Meeting

Date and time of the General Meeting of Shareholders: **10:00 a.m., Tuesday, June 21, 2022**
(Reception starts at 9:00 a.m.)

Please bring the enclosed Voting Form and submit it to the reception desk.

If you do not wish to attend the venue of the Meeting (Please exercise your voting rights in advance)

Exercising voting rights in writing (by mail)

Deadline for exercising voting rights: **No later than 5:00 p.m. (Japan standard time), Monday, June 20, 2022 (must arrive by this time)**

Please indicate your approval or disapproval of the proposals in the enclosed Voting Form and return it to the Company by mail so that it arrives before the deadline.

Guide to filling in the Voting Form

Proposal No. 1, No. 2, No. 4, No. 5, No. 6, No. 7 and No. 8

If you approve:	Mark a ○ in the box marked "賛"
If you disapprove:	Mark a ○ in the box marked "否"

Proposal No. 3

If you approve all candidates:	Mark a ○ in the box marked "賛"
If you disapprove all candidates:	Mark a ○ in the box marked "否"
If you selectively disapprove certain candidates:	Mark a ○ in the box marked "賛" and write the number of each candidate you choose to disapprove.

Exercising voting rights via the Internet, etc.

Deadline for exercising voting rights: **No later than 5:00 p.m., Monday, June 20, 2022**

Please access the Company's voting website and indicate whether you approve or disapprove of the proposals by the deadline.

Voting Rights Exercise Website URL: https://www.web54.net (Japanese only)

* Depending on the Internet usage environment on your PC or smartphone, you may not be able to access the website to exercise your voting rights.

Livestream of the General Meeting of Shareholders (Japanese only)

Date and time of the General Meeting of Shareholders: **10:00 a.m., Tuesday, June 21, 2022**
(Stream begins at 9:30 a.m.)

You will be able to view the Meeting from home or elsewhere other than the meeting venue via your PC or smartphone.

- The livestream of the Meeting is restricted to shareholders. Please refer to the enclosed "Guide to Livestream of the Meeting of Shareholders and Prior Submission of Questions" and "Notification of ID/Password for Livestream of the Meeting of Shareholders and Prior Submission of Questions" (Both enclosed documents are available in Japanese only.), and participate via the dedicated website for the livestream.
- You will not be able to exercise voting rights or ask questions on the day of the Meeting through the livestream, as it will not be regarded as attendance under the Companies Act.

Shareholders who plan to view the livestream of the Meeting are requested to exercise their voting rights beforehand either in writing using postal mail or via the Internet.

Handling of your voting rights

- You may exercise your voting rights through a proxy who must be another shareholder holding voting rights of the Company. In this case, it is necessary for the shareholder or the proxy to submit a document to the Company proving the authority of the proxy.
- If a voting right is exercised both by returning a Voting Form and via the Internet, only voting via the Internet will be deemed valid.
- If you exercise your voting rights multiple times via the Internet, etc., by using devices such as PC or smartphone, the last vote shall be deemed valid.

< Prior submission of questions >

We will be receiving questions from shareholders who will not be attending the venue of the Meeting via the Internet prior to the Meeting.

Reception period: **From 9:00 a.m., Wednesday, June 1, 2022**
to 5:00 p.m., Tuesday, June 14, 2022

Please refer to the enclosed “Guide to Livestream of the Meeting of Shareholders and Prior Submission of Questions” and “Notification of ID/Password for Livestream of the Meeting of Shareholders and Prior Submission of Questions” (Note that both enclosed documents are available in Japanese only.), and enter your question via the dedicated website (Japanese only).

Among the questions submitted, we intend to address those that are of particular concern to our shareholders on the day of the Meeting. Please understand that it will not be possible for us to individually respond to all questions.

[Translation for Reference and Convenience Purposes Only]

REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposal No. 1: Appropriation of Surplus

The Company's key management policies are the enhancement of corporate value with proactive business investment and the direct return of profits to shareholders through dividend payments. We are working to reinforce our corporate structure and further increase per-share corporate value by utilizing internal capital reserves. We have maintained a policy of paying dividends linked to business performance, with a 20% dividend payout ratio as a guideline, and continuing to work on improving the ratio as a medium- and long-term management priority.

For FY2021, we have decided to pay a year-end dividend of ¥900 per share, an increase of ¥765 from the previous fiscal year in accordance with these policies with a 20% dividend payout ratio as a guideline.

As we have already paid an interim dividend of ¥300 per share, for FY2021, the annual dividend of the Company will be ¥1,200 per share, an increase of ¥1,050 from the previous fiscal year.

Furthermore, for shareholder returns for FY2022, following the progress we have made on improving the Company's corporate value and financial position, we plan to pay dividends linked to business performance, with a 25% dividend payout ratio as a guideline. From FY2023 onward, we will look at revising our shareholder returns policy based on trends in the Tokyo Stock Exchange Prime Market, while confirming progress on the Company's investment plan.

Note: On April 1, 2022, the Company executed a 3-for-1 stock split of shares of common stock.
The record date for the year-end dividend for FY2021 is March 31, 2022, meaning the dividend will be implemented based on the number of shares prior to said stock split.

Matters related to year-end dividend

(1) Type of dividend property
Cash

(2) Matter related to distribution of dividend property and total amount thereof
¥900 per common share of the Company Total amount: ¥108,252,056,700

(3) Effective date of distribution of surplus
June 22, 2022

[Translation for Reference and Convenience Purposes Only]

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for proposal

(1) The Company is moving ahead with the development of various social infrastructure businesses, centered on the shipping business, as put forward in the MOL Group Corporate Mission, the Group Values (MOL CHARTS) and the Group Vision. As part of this, the Company is also working to commercialize such things as information-sharing apps for seafarers using the onboard internet environment, and plans to expand such business in the future. As such businesses correspond to the telecommunications business under the Telecommunications Business Act, the Company proposes to make additions to the business purpose of the Company set forth in Article 2 of the Articles of Incorporation.

(2) Since the amended provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

- i) Article 15, paragraph 1 in “Proposed Amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
- ii) Article 15, paragraph 2 in “Proposed Amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- iii) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 15 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- iv) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

[Translation for Reference and Convenience Purposes Only]

2. Details of amendments

Details of the amendments are as follows.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
Article 2. The main purpose of the Company is to engage in the following businesses:	Article 2. (Unchanged)
(1) - (19) (Omitted)	(1) - (19) (Unchanged)
(Newly added)	(20) Telecommunications business as specified in the Telecommunications Business Act;
(20) - (26) (Omitted)	(21) - (27) (Unchanged)
Article 15. The Company, when issuing invitations regarding the General Meeting of Shareholders, may regard it as offering information pertaining to the matters to be stated or listed in the reference document of the General Meeting of Shareholders, business report, financial statements and consolidated financial statements to the shareholders, by disclosing it via the Internet in accordance with ordinance of the Ministry of Justice.	(Deleted)
(Newly added)	Article 15. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format. 2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.
(Newly added)	(Supplementary Provisions) 1. The deletion of Article 15 in the pre-amended Articles of Incorporation and the establishment of the new Article 15 in the amended Articles of Incorporation shall be effective from the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”). 2. Notwithstanding the provision of the preceding paragraph, Article 15 of the pre-amended Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.

Current Articles of Incorporation	Proposed Amendments
	3. These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.

[Translation for Reference and Convenience Purposes Only]

Proposal No. 3: Election of Eight (8) Directors

Of the nine (9) directors of the Company who were elected at the Ordinary General Meeting of Shareholders held on June 22, 2021, the terms of office of eight (8) of those directors will expire at the conclusion of this meeting, aside from Akihiko Ono who has resigned as of March 31, 2022. Accordingly, the Company proposes election of the following eight (8) directors.
The candidates for directors are as follows:

No.		Name	Current Positions and Responsibilities in the Company	Attendance to the Board of Directors' meetings	Nomination Advisory Committee	Remuneration Advisory Committee
1	Reappointed	Junichiro Ikeda	Representative Director Chairman Executive Officer	100% 18 of 18	○	○
2	Reappointed	Takeshi Hashimoto	Representative Director President, Chief Executive Officer	100% 18 of 18	○	○
3	Reappointed	Toshiaki Tanaka	Representative Director Executive Vice President, Executive Officer Assistant to President, Chief Environment and Sustainability Officer, Responsible for: Environment & Sustainability Strategy Division, Corporate Marketing Division, Supervisor for Corporate Communication Division	100% 18 of 18		
4	Reappointed	Kenta Matsuzaka	Director, Senior Managing Executive Officer Director General, Headquarters of Energy Business, Responsible for: Europe and Africa Area, Work-Style Reforms	100% 15 of 15		
5	Reappointed	Yutaka Hinooka	Director, Senior Managing Executive Officer Chief Compliance Officer, Assistant to Chief Safety Officer, Deputy Director General, Headquarters of Safety Operations, Responsible for: Secretaries & General Affairs Division, Legal Division, Liner Business Management Division, Real Property Business Division	100% 15 of 15		
6	Reappointed Outside Independent	Hideto Fujii	Director	100% 18 of 18	○	○
7	Reappointed Outside Independent	Etsuko Katsu	Director	100% 18 of 18	○	○
8	Reappointed Outside Independent	Masaru Onishi	Director	100% 18 of 18	○	○

Reappointed	Newly appointed	Outside	Independent
Candidate for reappointment as Director	Candidate for new appointment as Director	Candidate for Outside Director	Independent officer for submission to stock exchanges

Selection policy and process
The selection of candidates for the Board of Directors is based on the report from the Nomination Advisory Committee. The basic policy of the Company is to have a board composed of inside directors and several outside directors. Directors appointed from within the company should be able to contribute to the enhancement of the

Group's corporate value with extensive experience, knowledge and ability, as well as being capable of making management decisions on a global basis with broad perspectives and foresight. Outside directors should be able to contribute to the enhancement of the Group's corporate value from an objective perspective based on extensive experience and knowledge in their area of expertise.

[Translation for Reference and Convenience Purposes Only]

Candidate number 1

Junichiro Ikeda

Reappointed

Date of birth
July 16, 1956

Number of the Company's Shares Held
96,300 shares
Attendance to the Board of Directors' meetings
18 of 18 (Attendance rate: 100%)
Number of years as Director
9 years
*as of the conclusion of this meeting

Career Summary, and Positions and Responsibilities in the Company

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)

[Reason for nomination as candidate for director]

Junichiro Ikeda had been leading management of the Group since being appointed as Representative Director, President, Chief Executive Officer in June 2015 and as Chief Executive Officer until March 2021. He has abundant experience and achievements as a corporate executive. He has been strengthening corporate governance and contributing to the highly transparent and effective operation of the Board of Directors as Chairman of the Board of Directors since being appointed as Representative Director, Chairman Executive Officer in April 2021. We deem that the use of his extensive experience in management and in-depth knowledge about corporate governance are necessary, and accordingly propose that he be reappointed.

Candidate number 2

Takeshi Hashimoto

Reappointed

Date of birth
October 14, 1957

Number of the Company's Shares Held
44,700 shares
Attendance to the Board of Directors' meetings
18 of 18 (Attendance rate: 100%)
Number of years as Director
7 years
*as of the conclusion of this meeting

Career Summary, and Positions and Responsibilities in the Company

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)

[Reason for nomination as candidate for director]

Takeshi Hashimoto has been involved in the liquefied natural gas (LNG) carrier and offshore businesses over many years. With his strong leadership and decision-making ability based on his abundant experience and achievements, he has worked to enhance corporate value of the Company by embarking on initiatives that included TOB to DAIBIRU CORPORATION and Utoc Corporation as well as stock splits, and also by striking a balance between business continuity and preventing infection of employees and others amid the COVID-19 pandemic, etc. as Chief Executive Officer since his appointment as Representative Director, President, Chief Executive Officer in April 2021. We deem that his extensive experience, knowledge and ability are necessary in our efforts to strengthen our competitiveness and increase the corporate value of the Group, and accordingly propose that he be reappointed.

[Translation for Reference and Convenience Purposes Only]

Candidate number 3	Toshiaki Tanaka	Reappointed Date of birth April 17, 1960	**Number of the Company's Shares Held** 27,900 shares **Attendance to the Board of Directors' meetings** 18 of 18 (Attendance rate: 100%) **Number of years as Director** 2 years *as of the conclusion of this meeting

Career Summary, and Positions and Responsibilities in the Company

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)

<Assignment>

Assistant to President,
Chief Environment and Sustainability Officer,
Responsible for: Environment & Sustainability Strategy Division,
Corporate Marketing Division,
Supervisor for Corporate Communication Division

[Reason for nomination as candidate for director]

Toshiaki Tanaka has been involved in the dry bulk business such as iron ore transport over many years. Currently, he oversees the Group's environmental and sustainability strategy as Chief Environment and Sustainability Officer (CESO), and furthermore he has been handling overall management as Executive Vice President, Executive Officer since April 2022. We deem that his extensive experience, knowledge and ability are necessary in our efforts to increase the corporate value of the Group, and accordingly propose that he be reappointed.

Candidate number 4	Kenta Matsuzaka	Reappointed Date of birth January 14, 1961	**Number of the Company's Shares Held** 32,100 shares **Attendance to the Board of Directors' meetings** 15 of 15 (Attendance rate: 100%) **Number of years as Director** 1 year *as of the conclusion of this meeting

Career Summary, and Positions and Responsibilities in the Company

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)

<Assignment>

Director General, Headquarters of Energy Business,
Responsible for: Europe and Africa Area, Work-Style Reforms

[Reason for nomination as candidate for director]

Kenta Matsuzaka has been involved in business management centered on LNG Carrier Division over many years. He was appointed as Director of the Company in 2021 and currently he oversees energy transport operations encompassing the Company's core undertaking of offshore business, LNG carriers and the tanker business as Director General, Headquarters of Energy Business. Moreover, he has been involved in the Group's overall business management as a member of the Executive Committee, the top decision-making authority for business operations. We deem that his extensive experience, knowledge and ability are necessary in our efforts to increase the corporate value of the Group, and accordingly propose that he be appointed.

Candidate number 5	Yutaka Hinooka	Reappointed Date of birth October 22, 1961	**Number of the Company's Shares Held** 19,500 shares **Attendance to the Board of Directors' meetings** 15 of 15 (Attendance rate: 100%) **Number of years as Director** 1 year *as of the conclusion of this meeting

Career Summary, and Positions and Responsibilities in the Company

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)

<Assignment>

Chief Compliance Officer, Assistant to Chief Safety Officer,
Deputy Director General, Headquarters of Safety Operations,
Responsible for:
Secretaries & General Affairs Division,
Legal Division,
Liner Business Management Division,
Real Property Business Division

[Reason for nomination as candidate for director]

Yutaka Hinooka has been involved in the car carrier business and container shipping business over many years, and has also been handling corporate affairs in the Corporate Planning Division. He was appointed as Director of the Company in 2021 and currently he serves as Chief Compliance Officer (CCO) by utilizing his considerable insight regarding business management. He is furthermore involved in the Group's overall business management as a member of the Executive Committee, the top decision-making authority for business operations. We deem that his extensive experience, knowledge and ability are necessary in our efforts to increase the corporate value of the Group, and accordingly propose that he be appointed.

Candidate number 6	Hideto Fujii	Reappointed Outside Independent Date of birth December 13, 1947	**Number of the Company's Shares Held** 6,600 shares **Attendance to the Board of Directors' meetings** 18 of 18 (Attendance rate: 100%) **Number of years as Outside Director** 6 years *as of the conclusion of this meeting

Career Summary, and Positions and Responsibilities in the Company

Apr. 1971	Joined Ministry of Finance
Jan. 2003	Deputy Vice Minister, Minister's Secretariat
Jul. 2004	Director-General, Budget Bureau
Jul. 2006	Administrative Vice Minister
Oct. 2007	Deputy Governor, Development Bank of Japan Inc.
Oct. 2008	Deputy President (Resigned in June 2015)
Jun. 2015	Adviser, Sumitomo Corporation (to present)
Jun. 2016	Outside Director, Mitsui O.S.K. Lines, Ltd. (to present)

<Significant concurrent positions outside the Company>

Adviser, Sumitomo Corporation
Councilor, Takanashi Foundation for Historical Science

[Reason for nomination as candidate for outside director, and overview of role expectations]

We have nominated Hideto Fujii as candidate for outside director in the expectation that he will continue to appropriately fulfill his role as a supervisor of the Company's business execution in terms of proactively contributing to discussions at meetings of the Board of Directors from a standpoint of independence and fairness, drawing on his many years of experience, knowledge and ability from his involvement in Japan's economic management and policy finance. If he is appointed, we will seek his involvement enlisting his position of objectivity and neutrality with respect to engaging in consideration and making decisions particularly regarding selection of the Company's officer candidates and matters of officer remuneration as a member of the Nomination Advisory Committee and the Remuneration Advisory Committee.

Meanwhile, although he has served as Deputy President of Development Bank of Japan Inc., one of the Company's creditors, he has been nominated as a director candidate based on his own experience and insight, and not on any special interests between the Company and the bank.

Candidate number 7	Etsuko Katsu	Reappointed Outside Independent Date of birth April 3, 1955	**Number of the Company's Shares Held** 12,600 shares **Attendance to the Board of Directors' meetings** 18 of 18 (Attendance rate: 100%) **Number of years as Outside Director** 6 years *as of the conclusion of this meeting

Career Summary, and Positions and Responsibilities in the Company

Apr. 1978	Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.) Research Division (Resigned in December 1992)
Dec. 1992	Senior Economist, The Japan Research Institute, Limited
Apr. 1995	Associate Professor of Finance and Economics, Ibaraki University
Apr. 1998	Associate Professor, School of Political Science and Economics, Meiji University
Apr. 2003	Professor, School of Political Science and Economics, Meiji University (to present)
Apr. 2008	Vice President International, Meiji University
Jun. 2016	Outside Director, Mitsui O.S.K. Lines, Ltd. (to present)
Mar. 2019	Outside Director (Audit and Supervisory Committee Member), DENTSU INC. (currently Dentsu Group Inc.)

<Significant concurrent positions outside the Company>

Professor, School of Political Science and Economics, Meiji University

Outside Director (Audit and Supervisory Committee Member), Dentsu Group Inc.

Chairman of Fund Management Advisory Committee, The Japan Foundation

Administrative Board Member, International Association of Universities (IAU)

[Reason for nomination as candidate for outside director, and overview of role expectations]

We have nominated Etsuko Katsu as candidate for outside director in the expectation that she will continue to appropriately fulfill her role as a supervisor of the Company's business execution in terms of proactively contributing to discussions at meetings of the Board of Directors from a standpoint independent from the executive team involved in our businesses, reflecting her extensive knowledge and insight as an expert in international economics and finance, her experience in university management, as well as her experience and knowledge regarding global human resource development. If she is appointed, we will seek her involvement enlisting her position of objectivity and neutrality with respect to engaging in consideration and making decisions particularly regarding selection of the Company's officer candidates and matters of officer remuneration as a member of the Nomination Advisory Committee and the Remuneration Advisory Committee.

[Translation for Reference and Convenience Purposes Only]

Candidate number 8	Masaru Onishi	Reappointed Outside Independent Date of birth May 19, 1955	**Number of the Company's Shares Held** 9,000 shares **Attendance to the Board of Directors' meetings** 18 of 18 (Attendance rate: 100%) **Number of years as Outside Director** 3 years *as of the conclusion of this meeting

Career Summary, and Positions and Responsibilities in the Company

Apr. 1978	Joined Japan Airlines Co., Ltd.
Apr. 2009	Executive Officer, Japan Airlines International Co., Ltd. (currently Japan Airlines Co., Ltd.)
Jun. 2009	Representative Director, President, Japan Air Commuter Co., Ltd.
Feb. 2010	Trustee Representative and President, Japan Airlines International Co., Ltd. (currently Japan Airlines Co., Ltd.)
Nov. 2010	Director, Japan Airlines International Co., Ltd.
Mar. 2011	Representative Director, President, (Safety General Manager), Japan Airlines International Co., Ltd.
Apr. 2011	Representative Director, President, (Safety General Manager), Japan Airlines Co., Ltd.
Feb. 2012	Representative Director, Chairman, General Manager, Corporate Safety & Security (Safety General Manager), Japan Airlines Co., Ltd.
Apr. 2013	Representative Director, Chairman (Safety General Manager), Japan Airlines Co., Ltd.
Apr. 2014	Director, Chairman, Japan Airlines Co., Ltd.
Apr. 2018	Director, Japan Airlines Co., Ltd.
Jul. 2018	Senior Representative, External Affairs, Japan Airlines Co., Ltd.
Jun. 2019	Outside Director, TEIJIN LIMITED (to present)
Jun. 2019	Outside Director, Mitsui O.S.K. Lines, Ltd. (to present)
Jun. 2021	Outside Director, Kadoya Sesame Mills Incorporated (to present)

<Significant concurrent positions outside the Company>

Trustee, KEIZAI DOYUKAI (Japan Association of Corporate Executives)

Trustee, International University of Japan

Visiting Professor, Toyo University

Outside Director, TEIJIN LIMITED

Outside Director, Kadoya Sesame Mills Incorporated

Senior Advisor, Alton Aviation Consultancy Japan Co., Ltd

[Reason for nomination as candidate for outside director, and overview of role expectations]

We have nominated Masaru Onishi as candidate for outside director in the expectation that he will continue to appropriately fulfill his role as a supervisor of the Company's business execution in terms of proactively contributing to discussions at meetings of the Board of Directors from a practical and multifaceted perspective, reflecting his considerable insight based on his high level of managerial experience having served as Representative Director, President and as Representative Director, Chairman of Japan Airlines Co., Ltd. If he is appointed, we will seek his involvement enlisting his position of objectivity and neutrality with respect to engaging in consideration and making decisions particularly regarding selection of the Company's officer candidates and matters of officer remuneration as a member of the Nomination Advisory Committee and the Remuneration Advisory Committee.

Notes:

1. No special interests exist between any of the director candidates and the Company.
2. Pursuant to the provisions of Article 430-3, paragraph (1) of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company. Overall details of the insurance policy are as stated in the Business Report on page 62 of this document. The respective director candidates shall remain listed as insured parties under the insurance policy, subject to approval of their appointments. Moreover, the Company intends to leave the content of the insurance policy unchanged upon its next renewal.
3. As of April 28, 2022, the Company has entered into an indemnification agreement set forth in Article 430-2, paragraph (1) of the Companies Act with every director, under which the Company will cover the expenses set forth in Article 430-2, paragraph (1), item (1) of the Companies Act and the loss set forth in item (2) of the same paragraph within the extent stipulated by laws and regulations. The Company intends to continue the indemnification agreements with the eight (8) candidates for directors if their election is approved.
4. Among the above candidates, Hideto Fujii, Etsuko Katsu and Masaru Onishi are candidates for outside directors

stipulated in Article 2, paragraph (3), item (7) of the Regulation for Enforcement of the Companies Act. Each candidate for outside director satisfies the requirements for independent officer stipulated under the regulations of the stock exchanges on which the Company's common share is listed, as well as the requirements for independence stipulated under the Company's "Independence Criteria for Outside Officers" (pages 21 and 22). The Company has appointed each candidate for outside director as independent officer stipulated under the regulations of the stock exchanges on which the Company's common share is listed, and has notified the exchanges. If their reelection as outside directors are approved, the Company intends to continue to appoint them as independent officers.

5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into liability limitation agreements with Hideto Fujii, Etsuko Katsu and Masaru Onishi which limit the amount of their liability under Article 423, paragraph (1) of the Companies Act to the aggregate of the amounts specified in items of Article 425, paragraph (1) of the Companies Act, if they perform their duties in good faith and without gross negligence. If their reelections as outside directors are approved, the Company intends to continue the liability limitation agreements with them.
6. The Company split its common stock on the basis of one (1) share into three (3) shares effective April 1, 2022. The number of the Company's shares held as listed above is the number of shares following the stock split.

[Translation for Reference and Convenience Purposes Only]

Proposal No. 4: Election of One (1) Audit & Supervisory Board Member

The term of office of an audit & supervisory board member, Hideki Yamashita, will expire at the conclusion of this meeting. Accordingly, election of the following one (1) audit & supervisory board member is proposed.
The Audit & Supervisory Board has previously given its consent to this proposal.
The candidate for audit & supervisory board member is as follows:

Satoru Mitsumori Newly appointed Outside Independent Date of birth January 22, 1966	**Number of the Company's Shares Held** - shares
	**Career Summary** 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 (to present) Oct. 2011 Extraordinary Member, Government Panel Addressing Disputes Over Compensation for Nuclear Accidents (to present) Apr. 2018 Audit & Supervisory Board Member, Kur & Hotel Co., Ltd. (to present) **<Significant concurrent positions outside the Company>** Director, AZABU GAKUEN Audit & Supervisory Board Member, Kur & Hotel Co., Ltd. Representative Director, Japan Association for Business Recovery **[Reason for nomination as candidate for outside audit & supervisory board member]** Satoru Mitsumori has many years of experience as an attorney at law, expert knowledge, and an exceptional mindset for legal compliance. If he is appointed as an audit & supervisory board member, he could use this experience, knowledge and ability in the Company's auditing systems. We think he would carry out his duties as an outside audit & supervisory board member competently from an independent position of objectivity and fairness. We thus propose that he be appointed.

Notes:
1. No special interests exist between Satoru Mitsumori and the Company.
2. Satoru Mitsumori is a candidate for outside audit & supervisory board member stipulated in Article 2, paragraph (3), item (8) of the Regulation for Enforcement of the Companies Act.
   Satoru Mitsumori satisfies the requirements for independent officer stipulated under the regulations of the stock exchanges on which the Company's common share is listed, as well as the requirements for independence stipulated under the Company's "Independence Criteria for Outside Officers" (pages 21 and 22). The Company intends to appoint him as an independent officer stipulated under the regulations of the stock exchanges on which the Company's common share is listed, and notify the exchanges, subject to approval of his appointment.
3. Pursuant to the provisions of Article 430-3, paragraph (1) of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company. Overall details of the insurance policy are as stated in the Business Report on page 62 of this document. Satoru Mitsumori will be newly listed as an insured party under the insurance policy, subject to approval of his appointment. Moreover, the Company intends to leave the content of the insurance policy unchanged upon its next renewal.
4. The Company plans to enter into an indemnification agreement with Satoru Mitsumori, under which the Company will cover the expenses set forth in Article 430-2, paragraph (1), item (1) of the Companies Act and the loss set forth in item (2) of the same paragraph within the extent stipulated by laws and regulations, if his election is approved.
5. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company plans to enter into a liability limitation agreement with Satoru Mitsumori which limits the amount of his liability under Article 423, paragraph (1) of the Companies Act to the aggregate of the amounts specified in items of Article 425, paragraph (1) of the Companies Act, if his election is approved and if he performs his duties in good faith and without gross negligence.

[Translation for Reference and Convenience Purposes Only]

Proposal No. 5: Election of One (1) Substitute Audit & Supervisory Board Member

Based on the provisions of Article 329, paragraph (3) of the Companies Act, election of one (1) substitute audit & supervisory board member is proposed in preparation for lacking a quorum of audit & supervisory board members.

The Audit & Supervisory Board has previously given its consent to this proposal.

The candidate for substitute audit & supervisory board member is as follows:

Atsuji Toda

Outside

Independent

Date of birth
January 19, 1955

Number of the Company's Shares Held

－ shares

Career Summary

Oct. 1979	Joined Showa Audit Corporation
Oct. 1980	Joined Shinko Audit Corporation
Aug. 1984	Registered as a certified public accountant
Oct. 1984	Established Toda Accounting Office (to present)
Jun. 2000	Registered as a certified tax accountant
Jun. 2015	Outside Auditor, TAMURA CORPORATION (to present)
Jan. 2019	Established TIS Tax & Accounting Corporation (to present)

<Significant concurrent positions outside the Company>

Director (certified public accountant), Toda Accounting Office

Partner, Certified public tax accountant, TIS Tax & Accounting Corporation

Outside Auditor, TAMURA CORPORATION

[Reason for nomination as candidate for substitute outside audit & supervisory board member]

Atsuji Toda has many years of experience as a certified public accountant and extensive knowledge related to accounting. If he is appointed as an audit & supervisory board member, he could use this experience, knowledge and ability in the Company's auditing systems. We think he would carry out his duties as an outside audit & supervisory board member competently from a position of objectivity and fairness. We thus propose that he be appointed as a substitute outside audit & supervisory board member.

Notes:

1. No special interests exist between Atsuji Toda and the Company.
2. Atsuji Toda is a candidate for outside audit & supervisory board member stipulated in Article 2, paragraph (3), item (8) of the Regulation for Enforcement of the Companies Act. It is proposed that he be elected as a substitute outside audit & supervisory board member. He satisfies the requirements for independent officer stipulated under the regulations of the stock exchanges on which the Company's common share is listed, as well as the requirements for independence stipulated under the Company's "Independence Criteria for Outside Officers" (pages 21 and 22). If he assumes his office as an outside audit & supervisory board member, the Company will appoint him as an independent officer stipulated under the regulations of the stock exchanges on which the Company's common share is listed, and notify the matter to the exchanges.
3. Pursuant to the provisions of Article 430-3, paragraph (1) of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company. Overall details of the insurance policy are as stated in the Business Report on page 62 of this document. Atsuji Toda shall be listed as an insured party under the insurance policy, subject to his appointment to the position of outside audit & supervisory board member. Moreover, the Company intends to leave the content of the insurance policy unchanged upon its next renewal.
4. On Atsuji Toda's assumption of office as an outside audit & supervisory board member, the Company plans to enter into an indemnification agreement with Atsuji Toda, under which the Company will cover the expenses set forth in Article 430-2, paragraph (1), item (1) of the Companies Act and the loss set forth in item (2) of the same paragraph within the extent stipulated by laws and regulations.
5. On Atsuji Toda's assumption of office as an outside audit & supervisory board member, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company intends to enter into an agreement with Atsuji Toda, which will limit his liability as set forth in Article 423, paragraph (1) of the Companies Act to the total of the amounts set forth in items of Article 425, paragraph (1) of the Companies Act, if he performs his duties in good faith and without gross negligence.

[Translation for Reference and Convenience Purposes Only]

Independence Criteria for Outside Officers

The Company has established the following criteria for the independence of outside directors and outside audit & supervisory board members (hereinafter referred collectively as "Outside Officer"). The Company deems an Outside Officer or a candidate for Outside Officer to have independence in the event that none of the following items is applicable upon the Company having investigated to the extent that is reasonable and practically possible.

(i) A person who is an executing person*1 of the Company or its subsidiaries (hereinafter referred collectively as the "MOL Group") or has served as an executing person of the MOL Group during the past ten (10) years (in the case of a person who has served as non-executive director, audit & supervisory board member, or accounting advisor of the MOL Group at a certain point in time during the past ten (10) years, during the ten (10) years prior to their appointment).
*1: An executing person refers to an executive director, a corporate officer, an executive officer, other person with similar responsibilities, or an employee of a corporation or other organization.

(ii) A current major shareholder*2 of the Company or an executing person thereof, or a person who has fallen under such category during the past three (3) years.
*2: A major shareholder means a shareholder who holds shares with 10% or more of voting rights in his or her own name or in another person's name at the end of the most recent fiscal year of the Company.

(iii) A party in which the MOL Group directly or indirectly holds 10% or more voting rights out of the total number of voting rights, or an executing person thereof, or a party which has fallen under such category during the past three (3) years.

(iv) An executing person of a company which has accepted a director (either full-time or part-time) from the MOL Group, or the parent company or a subsidiary thereof, or a person who was an executing person of such company during the past three (3) years.

(v) An executing person of a financial institution or other major creditor, or the parent company or a major subsidiary thereof, which is indispensable for the MOL Group's financing and on which the MOL Group depends to an irreplaceable extent.

(vi) A party with which the MOL Group is a major business partner*3, or if such party is a company, then an executing person of such company, or the parent company or a major subsidiary thereof, or a party which has fallen under such category during the past three (3) years.
*3: A party with which the MOL Group is a major business partner means a party which, in its most recent fiscal year, received a payment of 2% or more of its consolidated total revenue from the MOL Group (excluding payment of remuneration to director from the MOL Group if a party with which the MOL Group is a major business partner is an individual).

(vii) A party which is a major business partner of the MOL Group*4, or if such party is a company, then an executing person of such company, or the parent company or a major subsidiary thereof, or a party which has fallen under any of such categories in the past three (3) years.
*4: A major business partner of the MOL Group means a party which paid the MOL Group 2% or more of its gross sales in its most recent fiscal year.

(viii) A party which was an accounting auditor of the MOL Group, or an employee, etc. thereof, or a party which has fallen under such category during the past three (3) years.

(ix) A consultant, an accounting professional, or a legal professional receiving a significant amount of money or other assets*5 other than director remuneration from the MOL Group (if a party receiving such assets is an organization such as an entity or an association, then a person who belongs to such organization), or a party which has fallen under any of such categories in the past three (3) years.
*5: A significant amount of money or other assets means ¥10 million or more of money or other assets benefits received per year other than director remuneration in its most recent fiscal year (if a party receiving such assets is an organization such as an entity or an association, a significant amount of money or other assets means the amount of money or other assets benefit which exceeds 2% of the gross revenue of the party in its most recent fiscal year).

(x) A party which received donations or grants exceeding a certain amount*[6] from the MOL Group (if a party receiving such donations or grants is an organization such as an entity or an association, then an executing person of such organization), or a party which has fallen under any of such categories in the past three (3) years.
*6: Donations or grants exceeding a certain amount mean donations or grants exceeding the greater of ¥10 million per year on average in the past three (3) years or 2% of the gross revenue of a party in its most recent fiscal year.

(xi) A close relative*[8] of a person who is applicable to the above-listed items (i) through (x) (limited to a person who is in an important position*[7]).
*7: A person who is in an important position means an employee who holds a senior management position, such as executive director, corporate officer, executive officer, or general manager or above; if a person belongs to an auditing firm or an accounting firm, then a certified public accountant; if a person belongs to a law firm, then a lawyer; if a person belongs to an incorporated foundation, an incorporated association, or an incorporated educational institution, then an officer such as councilor, board member, or an auditor-secretary; or other person who is objectively and reasonably considered to be of equivalent importance.
*8: A close relative means a spouse or a relative within the second-degree of kinship.

(xii) Any other person who might have a conflict of interest with general shareholders and who is under the circumstances which are reasonably considered to prevent the person from fulfilling duties as an independent Outside Officer.

[Translation for Reference and Convenience Purposes Only]

Experience, Knowledge and Capability of Directors Especially Expected by the Company

The Company has updated the existing skills matrix for directors as shown in the table below based on discussions by the Nominating Advisory Committee. The Company positions the skills matrix as a framework for the experience, knowledge and capability (hereinafter “Experience, etc.”) that the Board of Directors should possess, and has selected five (5) items in “Experience, etc. considered important for corporations” that are universal to corporate management, and four (4) items in “Experience, etc. considered important for corporations supporting social infrastructure” that the Company believes should be particularly important in the management of the MOL Group. “Human resources/Diversity,” a fundamental component of sustainability, has been newly added as an item that is universally applicable to corporate management. Furthermore, as priority items for the Company’s management, in addition to “Marketing/Business strategy” and “Global business,” which are backed by the Company’s knowledge in the growth areas of energy transport and international logistics designated in the Rolling Plan, we have added “Safety,” which is the most important foundation for business, and “Technology,” which is an essential area for the future growth of the Company in terms of decarbonization of business activities, safe and efficient operation of vessels, and Digital Transformation (DX), etc. In order to fully demonstrate its governance function, the Board of Directors will adequately maintain the Experience, etc. and will continue to review the Experience, etc. in accordance with the changes in the business environment. In addition, training opportunities will be provided for directors and audit & supervisory board members, and advisors will be appointed to supplement the Experience, etc. as necessary.

		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
Junichiro Ikeda	Representative Director	●		●	●	●	●	●		●
Takeshi Hashimoto	Representative Director	●	●	●	●	●	●		●	●
Toshiaki Tanaka	Representative Director	●			●		●			●
Kenta Matsuzaka	Director					●	●		●	
Yutaka Hinooka	Director		●	●			●		●	●
Hideto Fujii	Outside Director	●	●	●	●					
Etsuko Katsu	Outside Director		●		●	●				●
Masaru Onishi	Outside Director	●					●	●	●	
Toshiaki Takeda	Full-time Audit & Supervisory Board Member			●	●		●			
Masanori Kato	Full-time Audit & Supervisory Board Member			●		●	●	●		
Junko Imura	Outside Audit & Supervisory Board Member		●	●	●	●				
Satoru Mitsumori	Outside Audit & Supervisory Board Member	●		●	●	●				

[Translation for Reference and Convenience Purposes Only]

Proposal No. 6: Revision of Remuneration Limits for Directors

With regard to the remunerations of directors, remunerations of directors serving concurrently as executive officers consist of basic compensation (cash compensation), single fiscal year performance-based compensation (cash compensation) as performance-linked compensation, and long-term target contribution-based compensation (non-monetary compensation) as performance-linked compensation. Outside directors' remuneration is only basic compensation (cash compensation).

The Company has obtained approval for the following maximum amounts of directors' remuneration:

- Basic compensation: Maximum aggregate amount for directors of ¥46 million per month approved on June 28, 1990
- Single fiscal year performance-based compensation: Maximum aggregate amount for directors of ¥300 million per year (of which ¥20 million per year for outside directors) approved on June 21, 2007
- Performance-linked stock compensation: Maximum aggregate amount for directors of 375 thousand shares (following stock split effective April 1, 2022) and ¥550 million for each evaluation period (the period from the start date of each fiscal year to the end of said fiscal year and the period from July 1 of each fiscal year to the end of June of fiscal year which is three fiscal years after the said fiscal year) approved on June 22, 2021

Out of these remunerations, the Company proposes to revise the remuneration limit for single fiscal year performance-based compensation for directors of ¥300 million per year as follows. The specific allotment to each director who is considered eligible shall be determined by the Board of Directors based on the deliberation and report of the Remuneration Advisory Committee, in which the majority of members are independent outside directors.

[Set single fiscal year performance-based compensation for directors serving concurrently as executive officers at a maximum amount of ¥1 billion per fiscal year]

Due to the revision made this time, the remuneration limit will be applicable only to directors concurrently serving as executive officers. In addition, considering the changes in circumstances regarding the MOL Group and the shipping business that have occurred over the years that have passed since the compensation limit was previously set, the Company aims to set the compensation at a level in line with current circumstances and suitably inclined to the high level of the industry to raise the motivation of the eligible officers, and proposes to revise the compensation limit for single fiscal year performance-based compensation in order to strengthen the incentive to further enhance the short-term and the medium- to long-term corporate value and to maintain and acquire talented personnel who are capable of realizing sustainable growth.

The Company has concluded that the contents of this Proposal No. 6 are necessary, reasonable and appropriate as a remuneration limit in light of, among others, the standards for calculating individual cash compensation, the percentage of total remunerations for directors and the standard number of directors to be paid which have been set forth in the "Company Policy for Decisions on the contents of individual remuneration, etc. of directors" (pages 27 to 28) which were resolved at the Company's Board of Directors' meeting held on April 28, 2022 on the condition that this Proposal No. 6 and Proposal No. 7 are approved.

In addition, the Remuneration Advisory Committee, in which the majority of members are independent outside directors, has reported that the contents of this Proposal No. 6 are appropriate.

The Company also requests approval to apply the contents of this Proposal No. 6 beginning with the single fiscal year performance-based compensation (cash compensation) for FY2021 and to pay single fiscal year performance-based compensation for FY2021 within the remuneration limit for single fiscal year performance-based compensation in this revision.

The summary of the Company Policy for Decisions on the contents of individual remuneration, etc. of directors for the fiscal year under review is as provided on pages 59 to 62 of the Business Report. However, as described above, in case that this Proposal No. 6 and Proposal No. 7 are approved, the Company plans to change the policy as described on pages 27 to 28.

The number of directors currently eligible for this Proposal No. 6 is five (the number of directors eligible for single fiscal year performance-based compensation for FY2021 is six, including a director who resigned on March 31, 2022). Upon approval of Proposal No. 3 as originally proposed, the number of directors eligible for this Proposal No. 6 will continue to be five.

[Translation for Reference and Convenience Purposes Only]

Proposal No. 7: Matters Concerning Determination of Compensation Granting Restricted Stock to the Non-executive Directors including the Outside Directors

The remuneration of outside directors of the Company is only basic compensation (cash compensation). At this time, for the purpose of incentivizing non-executive directors of the Company including outside directors (hereinafter referred to as “eligible directors”) to sustainably enhance the Company’s corporate value and pursuing greater value alignment with shareholders, the Company requests for approval to create a compensation plan that will newly grant restricted stock to eligible directors, separately from the basic compensation (cash compensation).

The eligible directors shall make in-kind contribution of all cash compensation claims to be paid by the Company under this Proposal No. 7 and shall receive the issuance or disposal of the Company’s common shares in return. The aggregate amount of cash compensation to be paid in order to grant restricted stock to the eligible directors under this Proposal No. 7 shall not exceed ¥100 million per year (of which, ¥22.5 million per year for outside directors), which is the amount deemed to be appropriate based on the above objectives. In addition, the aggregate number of common shares of the Company to be issued or disposed of thereby shall not exceed 210,000 shares per year (of which, 46,000 shares per year for outside directors). However, in case the Company’s total number of issued and outstanding shares were to increase or decrease due to share consolidation or stock split of Company’s stock (including the gratis allotment of the stock), the upper limit of the granted shares will be adjusted according to the ratio of share consolidation or stock split. The amount to be paid per share for such issuance or disposal shall be determined by the Board of Directors within a range that is not especially advantageous for eligible directors, based on the closing price of the common shares of the Company on the Tokyo Stock Exchange as of the business day immediately preceding the date of the Board of Directors meeting determining the specific allotment to each eligible director (or the closing price of the immediately preceding trading date in case no trading is made on such day).
The number of currently eligible directors is three. Upon approval of Proposal No. 3 as originally proposed, the number of eligible directors will continue to be three.
With respect to the grant of restricted stock based on this Proposal No. 7, the Company and each eligible director shall conclude a Restricted Stock Allocation Agreement (hereinafter referred to as “Allocation Agreement”), whose contents shall include the following matters:

(1) Eligible directors shall not transfer, create a collateral or otherwise dispose of the Company’s common shares that are allotted under the said Allocation Agreement (hereinafter referred to as “allocated shares” and “transfer restriction”) during a period from the payment date of allocated shares until the date when the eligible director resigns from the position of the Company’s director or other positions determined by the Board of Directors or retires from the Company (provided, however, if a director retires or resigns before three months have passed following the end of the fiscal year containing the date that the allotted shares are granted and if the Company’s Board of Directors has separately determined a date within six months after the end of said fiscal year, such date shall be the said date) (hereinafter referred to as “transfer restriction period”).
(2) The Company shall acquire the allocated shares from eligible director free of charge in case that the eligible director resigns or retires from the position prescribed in (1) above before the expiration of the period prescribed by the Company’s Board of Directors (hereinafter referred to as the “period of services provided”), except in cases where the Company’s Board of Directors determines that the reason for such resignation or retirement is justified.
(3) The Company shall cancel the transfer restriction for all of the allocated shares as of the expiration of the transfer restriction period, on the condition that the eligible director has continuously assumed the position prescribed in (1) above during the period of services provided. However, in case that the said eligible director resigns or retires from the position prescribed in (1) above before the period of services provided expires for any reason that is deemed justified by the Company’s Board of Directors in (2) above, the number of allocated shares for which the transfer restrictions are canceled shall be reasonably adjusted as necessary.
(4) The Company shall acquire the allotted shares from eligible director free of charge, for which the transfer restriction has not been canceled in accordance with the provisions of (3) above, as of the expiration of the transfer restriction period.
(5) The Company shall acquire the allocated shares from eligible director free of charge in case the eligible director violates laws and regulations, internal rules or Allocation Agreement or otherwise falls under some other reason, which the Company’s Board of Directors prescribe as appropriate for the Company to acquire the shares free of charge during the transfer restriction period.
(6) Notwithstanding the provisions of (1) above, in a case where matters such as a merger agreement in which

the Company is a merged company, share exchange agreement or share transfer plan in which the Company will become a wholly-owned subsidiary, or any other matters concerning reorganization, etc. are approved at a General Meeting of Shareholders of the Company (or at a meeting of the Company's Board of Directors if approval by General Meeting of Shareholders is not required for the said reorganization, etc.) during the transfer restriction period, the Company shall cancel, upon a resolution of the Company's Board of Directors, the transfer restrictions on an appropriately prescribed number of allocated shares before the effective date of the said reorganization, etc.

(7) In the case stipulated in (6) above, the Company shall acquire the allocated shares, for which the transfer restriction has not been canceled, from eligible director free of charge immediately after the transfer restriction has been canceled in accordance with the provisions of (6) above.

[Reasons why the grant of restricted stock is appropriate]

This Proposal No. 7 involves the payment of compensation in order to grant restricted stock to eligible directors for the purpose of incentivizing eligible directors to sustainably enhance the Company's corporate value and to pursue greater value alignment with shareholders. In this regard, eligible directors will be incentivized to sustainably enhance the Company's corporate value over the medium to long term by setting transfer restrictions on the granted shares until the day when eligible directors resign or retire from the position of the Company's director or other positions determined by the Board of Directors. The maximum amount of cash compensation paid in order to grant restricted stock will be at a level which will promote the provision of appropriate incentives to the eligible directors in order to enhance the Company's corporate value over the medium to long term by using the companies in the same industry or companies with the same level of market capitalization as a reference and by taking into account the current number of the Company's directors and the possibility of increase in such number in the future.

At the meeting of the Board of Directors held on May 20, 2021, the Company established the Company Policy for Decisions on the contents of individual remuneration, etc. of directors and its summary is as described on pages 59 to 62 of the Business Report. However, in case that Proposals No. 6 and No. 7 are approved, the Company plans to change the policy as described on pages 27 to 28. Furthermore, the percentage of upper limit of shares to be issued or disposed of in one year based on this Proposal No. 7 is approximately 0.05% of the total number of issued and outstanding shares, whose dilution ratio is minor.

Therefore, the Company has determined that the contents of this Proposal No. 7 are appropriate.

- END –

[Translation for Reference and Convenience Purposes Only]

[Reference]

Company Policy for Decisions on the contents of individual remuneration, etc. of directors (in case that Proposals No. 6 and No. 7 are approved)

At the meeting of the Board of Directors held on May 20, 2021, the Company established the Company Policy for Decisions on the contents of individual remuneration, etc. of directors and its summary is as described on pages 59 to 62 of the Business Report. In case that Proposals No. 6 and No. 7 are approved, the Company plans to change the policy as follows:

(1) Basic Policy

Remuneration of the Company's directors shall encourage them to execute their duties in conformance with "MOL CHARTS," which represents MOL Group's values and code of conduct, and to motivate them strongly to achieve the Group Vision and the Management Plan (Rolling Plan), with the aim of sustainable enhancement of corporate value in line with the MOL Group's Corporate Mission.

Remuneration level shall be suitable for attracting and retaining human resources and shall motivate employees to become officers of the Company.

With regard to the composition of remuneration, remunerations of directors serving concurrently as executive officers shall consist of basic compensation (cash compensation), single fiscal year performance-based compensation (cash compensation) as performance-linked compensation, and long-term target contribution-based compensation (non-monetary compensation) as performance-linked compensation. Remunerations of directors including outside directors, whose primary role is business execution supervisor and who do not concurrently serve as executive officers, shall consist of basic compensation and non-performance-linked stock compensation (RS) in order for them to carry out their role as business execution supervisor and to share shareholder value.

The composition ratios of remuneration shall be set to allow the proportions of remuneration linked to short-term performance and medium- to long-term performance to be set appropriately by taking into account the business characteristics and shall also enable the demonstration of sound entrepreneurial spirit and the greater alignment of value with the shareholders.

Objective and transparent procedures will be taken by having the Remuneration Advisory Committee, in which the majority of members are outside directors and which is chaired by an outside director, become involved in the formulation of proposal for remuneration structure, and by having the Company's Board of Directors make decisions after receiving reports from the Remuneration Advisory Committee.

(2) Policy on determination of amount and timing or conditions of granting individual remuneration, etc. of basic compensation (cash compensation)

The Company determines individually the amount of basic compensation (cash compensation) of the Company's directors by taking into account the weight of their respective responsibilities and pays them in cash a fixed amount on a monthly basis during their term of office.

(3) Policy on determination of contents of performance indicators, amount or calculation method, and timing or conditions of granting performance-linked compensation (cash compensation)

Single fiscal year performance-based compensation (cash compensation) as performance-linked compensation of the Company is paid to directors serving concurrently as executive officers during each fiscal year. The Company strives to enhance the linkage between performance indicators and amount of remuneration and to ensure safe ship operation based on the Company's renewed commitment stated in the "MOL CHARTS," which represents MOL Group's values and code of conduct, by incorporating into the individual basic compensation specified in the preceding paragraph the achievement rate, etc. of groupwide business performance plan, the achievement rate of performance plan of director's division as an individual evaluation and the achievement rates of ship operation indicators. The Company makes payment of single fiscal year performance-based compensation in cash in June of each year.

(4) Policy on determination of contents of performance indicators, calculation method of amount or number, and timing or conditions of granting performance-linked compensation (non-monetary compensation)

Long-term target contribution-based compensation (non-monetary compensation) as performance-linked compensation of the Company is paid to directors serving concurrently as executive officers during each fiscal year. The Company grants performance-linked stock compensation (PSU), which is a type of non-monetary compensation that is linked to medium- to long-term stock prices and business performance, at a certain proportion according to achievement rates of performance and business targets, etc. over the

evaluation period, in the form of restricted shares, and pays the remainder of compensation in cash, for the purpose of incentivizing directors to sustainably enhance the Company's corporate value and to pursue greater value alignment with shareholders.
After each evaluation period, the Board of Directors determines the number of shares and the amount of cash to be granted, and grants such shares or cash. When eligible directors retire, the Company cancels the transfer restrictions on shares and grants the cash portion of the compensation.
However, the Company will acquire such shares free of charge and confiscate the portion of compensation granted in cash from eligible director in case that the eligible director violates laws and regulations, internal rules or falls under some other reason, which the Board of Directors prescribes as appropriate for the Company to acquire such shares free of charge.

(5) Policy on determination of contents and calculation method of amount or number of non-monetary remuneration (newly established)

The Company grants non-performance-linked stock compensation (RS), for which transfer restrictions shall in principle be canceled upon retirement, to directors including outside directors, whose primary role is business execution supervisor and who do not concurrently serve as executive officers, at a certain time each year, in order to share value with shareholders and to motivate such directors to contribute to the enhancement of corporate and shareholder value over the medium to long term. The number of shares to be granted shall be determined based on their position, responsibilities, stock prices, and other factors.
However, the Company will acquire such shares free of charge from eligible director in case that the eligible director falls under some reason, which the Board of Directors prescribes as appropriate for the Company to acquire such shares free of charge.

(6) Policy on determining the ratios of amount of basic compensation, amount of performance-linked compensation, etc. and amount of non-monetary compensation, etc. in the amount of individual remuneration of directors, etc.

With regard to the ratio of each type of remuneration in the individual remuneration of directors, the Company makes the determinations by taking into overall account their position, responsibilities, performance and achievement rates of targets, etc. and by using the policies of companies in the same industry or companies with the same size in other industries as a reference.
With regard to the ratio of each type of remuneration in the individual remuneration of directors including outside directors whose primary role is business execution supervisor and who do not concurrently serve as executive officers, the Company makes the determinations by taking into overall account their position and responsibilities, etc. and by using the policies of companies with the same size in other industries, etc. as a reference.

(7) Matters regarding procedures for determining contents of individual remuneration of directors, etc.

Contents of individual remuneration of directors are determined by resolution of the Board of Directors based on the deliberation and report of the Remuneration Advisory Committee in which the majority of members are outside directors and which is chaired by an outside director.

Proposal No. 8: Revision of Remuneration Limit for Audit & Supervisory Board Members

A remuneration limit for the Company's audit & supervisory board members of up to ¥9 million per month was approved at the Ordinary General Meeting of Shareholders held on June 23, 2005, and has remained valid to date.

In consideration of various circumstances, including, among others, the passage of years since the last revision of the remuneration limit, the changes in economic conditions during that period, the diversification of duties assumed by audit & supervisory board members and the resulting increase in their responsibilities, the Company proposes to change the remuneration limit for audit & supervisory board members to up to ¥12 million per month.

Currently, there are four (4) audit & supervisory board members (including two (2) outside audit & supervisory board members). Upon approval of Proposal No. 4 as originally proposed, the number of audit & supervisory board members (including the number of outside audit & supervisory board members), who will be subject to this Proposal No. 8, will be the same.

The remuneration for audit & supervisory board members will continue to be only basic compensation, which is fixed compensation.

[Translation for Reference and Convenience Purposes Only]

[Reference] Approaches to Corporate Governance

Basic Concept of Corporate Governance

Due to the rapid changes in the ocean shipping business environment and in risk factors, we must adeptly set our course by accurately grasping the business environment, always confronting risks appropriately, and effectively utilizing our management resources by maintaining our offense-defense balance. We believe that the essentials of corporate governance are fostering sustainable growth and enhancing our corporate value by making decisions promptly and boldly, guided by appropriate risk management, while ensuring the transparency and fairness of management by carefully considering the viewpoints of our diverse stakeholders and other various social requests.

In addition, the Company strives actively and continually to bolster its corporate governance to achieve the MOL Group Vision and maximize the MOL Group's corporate value over the mid- and long-term by promoting the management plan (Rolling Plan) and taking on sustainability issues (MOL Sustainability Plan), underpinned by the Group Corporate Mission.

MOL Corporate Governance Organizational Structure

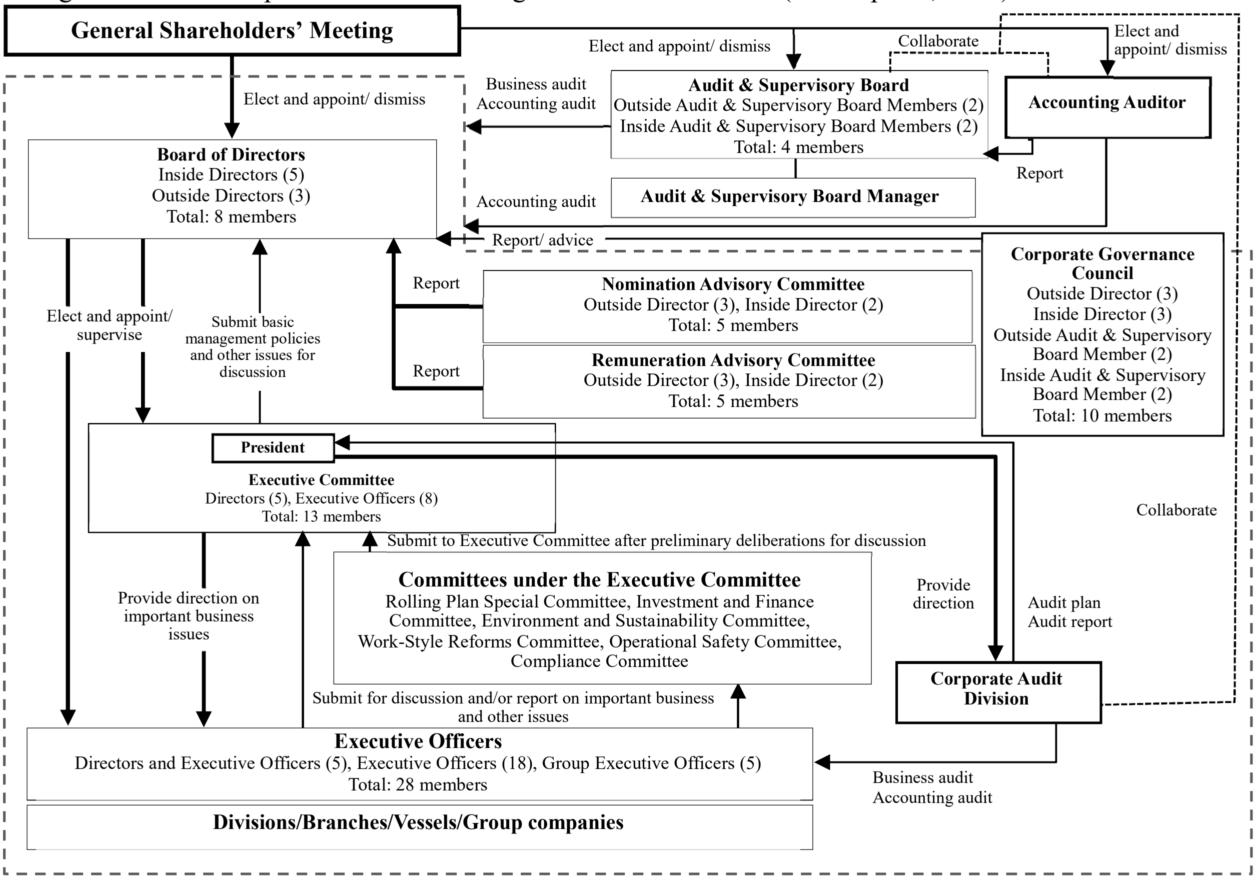
We believe that the appropriate form of governance should achieve legality, appropriateness, and efficiency of business operations by ensuring an effective supervisory framework for the Board of Directors. This is accomplished by having a mutual supervision and check mechanism among inside directors, who also serve as executive officers and execute operations, and by forming a Board of Directors that consists of inside directors who also carry out business operations and outside directors who specialize in supervisory functions. The structure also secures the audit function of the Audit & Supervisory Board, which is independent from the Board of Directors. Based on this view, MOL has become a company with an Audit & Supervisory Board as prescribed in the Companies Act.

The Board of Directors, by its resolution, has established a basic policy for developing a system to secure the properness of operations (internal control system). The MOL Group's officers and employees, under the president serving as the chief executive officer for management, carry out business operations in accordance with the management policy set by the Board of Directors and the above-mentioned basic policy, while being subject to supervision by the Board of Directors and audits by the Audit & Supervisory Board. In FY2021, the Corporate Governance Council was established under the Board of Directors to serve as a forum for facilitating unrestricted discussion while incorporating outside knowledge with respect to overall issues related to enhancing and strengthening the corporate governance structure. We expect that the council will contribute to improving the effectiveness of the Board of Directors by providing reports and advice to the Board of Directors.

We also believe that the true worth of the MOL corporate governance structure will not be achieved through the existence of the framework and organization constructed as described above. Instead, the true worth of the MOL corporate governance structure will result from whether the framework is functioning properly and effectively as described on pages 31 to 33.

[Translation for Reference and Convenience Purposes Only]

<Diagram of MOL Corporate Governance Organizational Structure> (as of April 1, 2022)



Board of Directors

As the central decision-making body of the Company, the Board of Directors deliberates and makes decisions on the basic policies and the most important matters for the management of MOL Group.

The Board of Directors consists of five (5) inside directors (as of April 1, 2022) and three (3) outside directors (as of April 1, 2022), who hold no interest in MOL. Outside directors play a major role in vitalizing the Board of Directors by checking the reasonableness of management decisions and of the status of business execution based on their respective experience and knowledge from an independent standpoint without an interest in the Company and expressing useful opinions on overall management. We have developed a supporting system for outside directors whereby agenda at the Board of Directors' meetings are explained in advance and the execution of important businesses is reported to them each time. In addition, the Board of Directors also conducts "Deliberation on Corporate Strategy and Vision" sessions during which inside and outside directors and audit & supervisory board members exchange opinions freely on management strategies, the long-term vision and other important topics related to overall management. In addition to the "Deliberation on Corporate Strategy and Vision," the "Board Member Discussion Sessions" is also held when necessary after the meetings of the Board of Directors to share and discuss a range of ongoing important issues other than the agenda items at the Board of Directors' meeting at an early stage.

The Board of Directors meets regularly about 10 times a year at appropriate intervals to formulate management plans, decide on major investments, approve budgets for each fiscal year, approve quarterly financial results, and make decisions on strengthening corporate governance, among others.

FY2021 "Deliberation on Corporate Strategy and Vision": Main Agenda Items

	Agenda
April	Container shipping business outlook
May	Future prospects for real estate business
July	Future plan for port business in Japan
September	Portfolio and investment strategies
October	Dry Bulk Business strategy
December	Direction of the next management plan
January	Top-down assessment of overall risk (risk mapping)

Nomination Advisory Committee and Remuneration Advisory Committee
MOL has established the Nomination Advisory Committee and the Remuneration Advisory Committee as arbitrary organizations under the Board of Directors. For making the outside directors supervise the executive directors more effectively, both committees are chaired by outside directors and are composed of all three (3) outside directors, the Chairman and the President, so that the majority are outside directors.
The Nomination Advisory Committee deliberates on the election, appointment and dismissal of directors and executive officers, as well as the necessary criteria for their determination and proposals for the next President based on the succession plan (including reappointment and dismissal of the incumbent President), thereby increasing the objectivity and transparency of the processes and strengthening accountability. The Remuneration Advisory Committee appropriately reviews the remuneration plan for directors and executive officers, and determines appropriate levels of remuneration for directors, including incentives for long-term enhancement of corporate value from an objective standpoint, while putting a high priority on the "stakeholders' perspective." In addition to the committee members, the outside audit & supervisory board members may also attend meetings of the respective committees in order to gain an understanding of the deliberation process and provide their opinions. The Board of Directors respects the contents of reports from both Advisory Committees and uses them to pass necessary resolutions.

Main Agenda Items for Review by the Advisory Committees (FY2021)

Nomination Advisory Committee (held six times in total)	Remuneration Advisory Committee (held nine times in total)
・ The ideal form, composition, and skills matrix of the Board of Directors; ・ Selection of the next President based on the succession plan for President and CEO, and methods for selecting a successor in the event of an emergency; ・ Election of officers for FY2022; ・ Election and dismissal of audit & supervisory board members; and other matters	・ Bonus for directors in FY2020 and remuneration for directors in FY2021; ・ Revision of non-executive director remuneration plans; ・ Peer group review to ensure the appropriateness of remuneration levels; ・ Policy for decisions on matters such as remuneration of individual directors; and other matters

Corporate Governance Council
The Corporate Governance Council has been established under the Board of Directors to serve as a forum for facilitating unrestricted discussion while incorporating outside knowledge with respect to overall issues related to enhancing and strengthening the corporate governance structure. With perspectives from independent outside directors and independent outside audit & supervisory board members, the Council examines the status and direction of corporate governance of the entire MOL Group and verification of the effectiveness of the Board of Directors, and provides reports and advice to the Board of Directors.

Main Agenda Items for Review by the Corporate Governance Council (FY2021, held four times in total)

・ Role of the Corporate Governance Council and selection of topics for deliberation ・ Identification of corporate governance issues in the MOL Group based on the revised Japan's Corporate Governance Code ・ Revision of internal rules to ensure time for deliberations by the Board of Directors ・ Various issues (skill improvement of directors and audit & supervisory board members, cross shareholdings, etc.), among others

Succession Planning
The Company has drawn up President and CEO (hereinafter collectively referred to as "President" for the purpose of this section) succession plans consisting of the position's requirements, selection process, and plan for training successor candidates, with the aim of selecting a President who is appropriate for the Company.
In FY2021, based on said plan, the Nomination Advisory Committee deliberated and reported to the Board of Directors on the selection of the next President based on the succession plan for the President, and on the method of selecting a successor in case of emergency.

[Translation for Reference and Convenience Purposes Only]

Effectiveness Evaluation
The Board of Directors annually conducts a questionnaire survey, including self-evaluation by each director and audit & supervisory board member, regarding the agenda and deliberations of the Board of Directors and its subordinate committees, the Nomination Advisory Committee and Remuneration Advisory Committee and the Corporate Governance Council, the contribution of each member, and the effectiveness of their operations, etc. It then analyzes and evaluates the effectiveness of the Board of Directors as a whole, identifies issues and examines measures for improvement, and discloses a summary of the results.
In FY2021, we received responses from all directors and audit & supervisory board members in the form of a self-questionnaire in February 2022, and in April 2022, the Corporate Governance Council evaluated and analyzed the effectiveness of the Board of Directors, identified issues, and formulated improvement measures. A summary of the results will be disclosed in detail in the Corporate Governance Report.

Business Execution System
MOL introduced the executive officer system in 2000. Executive officers who are appointed by the Board of Directors and to whom authority is delegated by representative director work to increase the speed of management by operating business in accordance with the highest management policy determined by the Board of Directors. The Executive Committee (chaired by the President) functions as a deliberative organ to make decisions on basic management plans and important issues related to execution of business in accordance with the basic policy determined by the Board of Directors. MOL has established six (6) committees as subordinates under the Executive Committee. In addition to the members of each respective committee, officers and general managers related to each issue attend the committee meetings to examine and deliberate on various matters such as important matters submitted to the Executive Committee for discussion and matters pertinent to multiple divisions.

Auditing System
The Audit & Supervisory Board consists of two (2) full-time audit & supervisory board members and two (2) outside audit & supervisory board members who hold no interest in MOL. The audit & supervisory board members periodically hold Audit & Supervisory Board's meetings to draw up audit plans and report and share audit results, etc., and prepare audit reports at the end of fiscal years. Each audit & supervisory board member attends meetings of the Board of Directors and other important meetings to audit the deliberation and decision-making processes. They also audit the development and operational status of internal control systems by conducting interviews with directors, executive officers, and employees, as well as researches for Group companies. KPMG AZSA LLC, the accounting auditor, conducts accounting audits. In addition to the above, the Corporate Audit Division, which receives directions from the President and is independent from any other management body, conducts internal audits including internal audits on Group companies. Three entities—namely, the Audit & Supervisory Board, the accounting auditor, and the Corporate Audit Division—take initiatives to improve the effectiveness of audits through close coordination with each other.

Outside Officers
All five (5) of MOL's outside officers (three (3) outside directors and two (2) outside audit & supervisory board members) fulfill MOL's unique "Independence Criteria for Outside Officers."
All three (3) outside directors fulfill their role to strengthen the function of Board of Directors regarding its management decisions and supervision by providing advice regarding MOL's overall management from an independent standpoint based on their extensive experience and knowledge in their respective areas of expertise. The outside directors gain a deeper understanding of the Group's businesses by attending meetings of the Board of Directors as well as those of the Nomination Advisory Committee and the Remuneration Advisory Committee as well as discussions regarding management issues with the executive officers.
The two (2) outside audit & supervisory board members have in-depth knowledge and insight as specialists in law and accounting and have a role in strengthening MOL's audit structure from an independent position. In addition to attending Board of Directors' meetings and Audit & Supervisory Board's meetings, the outside audit & supervisory board members interview inside directors, exchange opinions with outside directors, carry out discussions with executive officers about management issues, and incorporate the knowledge gained from them in their duties as outside audit & supervisory board members.
In order to ensure that outside directors and outside audit & supervisory board members can sufficiently fulfill their expected roles, the Company has entered into liability limitation agreements with each of the three (3) outside directors and two (2) outside audit & supervisory board members, which limit their liability to the total of the amounts specified in each item of Article 425, paragraph (1) of the Companies Act, in the event that they fail to perform their duties as a director or audit & supervisory board member and cause damage to the Company, provided they have performed their duties with good intent and without gross negligence.

[Translation for Reference and Convenience Purposes Only]

Please note that the following is an unofficial English translation of the Japanese original text of the business report of Mitsui O.S.K. Lines, Ltd. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the Japanese version shall be the official version.

BUSINESS REPORT

(From April 1, 2021 to March 31, 2022)

I. Matters Concerning the Present State of the Corporate Group

1. Business Progress and Results

■ Business environment

The global economy during FY2021 was generally in the process of recovering from posting the highest negative growth in post-war history due to the COVID-19 pandemic. However, the economic recovery was not uniform, and was uneven across countries, regions, and industries due to pressure to respond to intermittent new variants, prolonged supply constraints including the shortage of semiconductors, and impact of soaring natural resource prices. With regard to the climate change issue, “Green Recovery” is spreading as a measure for economic recovery from the COVID-19 pandemic, and the “Glasgow Climate Pact” of November 2021 calls for pursuing efforts to limit the global average temperature rise to within 1.5°C, accelerating the global movement toward the realization of a decarbonized society. At the same time, Russia invaded Ukraine in February 2022, causing a serious humanitarian crisis in Ukraine and further increases in the prices of natural gas, crude oil, and other natural resources, raising concerns about the future of the global economy.

■ FY2021 Results

Under this environment, the Company achieved record ordinary profit and profit attributable to owners of parent for FY2021, thanks to a significant profit increase in the container shipping business, where high spot freight rates continued against a backdrop of robust cargo volume and supply side disruptions.

In the Dry Bulk Business, despite seasonal factors and turmoil caused by the situation in Russia and Ukraine, the market remained at a high level due to tight vessel supply and demand caused by firm demand for transportation of steel raw materials, grains, coal, and other commodities, as well as congestion largely attributable to border control measures in response to COVID-19 and typhoons in China. In addition, improved profitability through more efficient operations at MOL Drybulk Ltd., which was established in April 2021, also contributed to increase profits.

Within Energy and Offshore Business, tankers continued to face difficult market conditions throughout the year as vessel supply and demand did not tighten against the backdrop of sluggish cargo movement due to prolonged coordinated output cuts by OPEC and a lack of progress on the scrapping of obsolete vessels, etc. LNG carriers secured stable profits mainly from existing long-term charter contracts. In Offshore Business, in addition to new deliveries in FPSO business and FSRU business, operations in existing projects were steady.

Within Product Transport Business, in the containerships business, the Company’s equity-method affiliate Ocean Network Express Pte. Ltd. continued to experience strong cargo movement throughout the fiscal year, especially on Asia-North America and Asia-Europe services, and in addition, supply chain disruptions persisted, particularly in ports and inland transport logistics in North America, resulting in spot freight rates that were significantly higher than in the previous fiscal year, which led to a sharp increase in profit. In the car carrier business, despite some impact caused by semiconductor shortages, the number of completed cars transported increased significantly and profitability improved substantially, reflecting a recovery in global automobile sales compared to the previous fiscal year, which was affected by COVID-19.

The average exchange rate of JPY against the USD during FY2021 depreciated by ¥5.57 year on year to ¥111.52. The average bunker price (average price for all major fuel grades) during the same period rose by US$230/MT year on year to US$585/MT.

As a result of the above, we recorded revenue of ¥1,269.3 billion, an operating profit of ¥55.0 billion, an ordinary profit of ¥721.7 billion (an increase of ¥588.1 billion from the previous fiscal year) and profit attributable to owners of parent of ¥708.8 billion.

(¥ billion)

Category	FY2018	FY2019	FY2020	FY2021
Revenues	1,234.0	1,155.4	991.4	1,269.3
Operating profit (loss)	37.7	23.7	(5.3)	55.0
Business profit (Operating profit + equity in earnings of affiliated companies)	29.9	39.7	127.6	712.3
Ordinary profit	38.5	55.0	133.6	721.7
Profit (loss) attributable to owners of parent	26.8	32.6	90.0	708.8
ROE (Ratio of net income to shareholders' equity) (%)	5.2	6.3	16.5	76.5
ROA (Ratio of ordinary profit to total assets) (%)	1.8	2.6	6.4	30.2
Equity ratio (%)	24.6	24.5	27.6	47.4
Net gearing ratio* (%)	188	194	163	71

*(Interest-bearing debt - Cash and cash equivalents)/Shareholders' equity

2. Business Overview by Segment

Following the reorganization effective April 1, 2021, "Energy Transport Business" has been renamed "Energy and Offshore Business."
This change is a change in name only and has no impact on the business segment overview.

(¥ billion)

Segment	Revenues	Ordinary profit (loss)	Revenue composition ratio
Dry Bulk Business	360.7	43.2	28.42%
Energy and Offshore Business	294.0	19.8	23.16%
Product Transport Business	515.3	662.9	40.60%
Containerships only	276.2	653.2	21.76%
Associated Businesses	83.4	7.4	6.58%
Others	15.7	2.7	1.24%
Adjustment (Corporate and eliminations)	–	(14.5)	
Total	**1,269.3**	**721.7**	

Note: Revenues represent those from external customers.

Dry Bulk Business

Revenue composition ratio 28.42%

Revenues*		Ordinary profit (loss)	
FY2021	**¥360.7 billion**	FY2021	**¥43.2 billion**
FY2020	¥222.0 billion	FY2020	¥(4.2) billion
FY2019	¥277.1 billion	FY2019	¥12.0 billion

* Revenues represent those from external customers.

[Major Business Lines]
Owning and operating specialized vessels for specific cargo types and bulk carriers for cargoes such as iron ore, coal, grains, wood, wood chips, cement, fertilizer, salt and steel products.

Overview of FY2021 Market and Business Conditions

- The Capesize bulker market followed a strong rising trend through to early October due to tight vessel supply and demand arising from congestion largely attributable to border control measures in response to COVID-19 and typhoons in China, against a backdrop of rising post-COVID optimism for economic recovery in various countries and booming demand for iron ore transport. An adjustment phase followed, and from January, Brazil entered the rainy season, slowing the pace of iron ore shipments, and causing the market to slump.
- The Panamax bulker market remained at a high level during the 1H as vessel supply and demand tightened due to strong transport demand for grains and coal as well as strengthening measures to prevent the spread of COVID-19. During the 2H, the market softened temporarily, but recovered on the back of transport demand for South American-loaded grains, and generally remained firm.
- Markets for Handymax and smaller-sized bulkers also remained at a high level throughout the period, in line with the Panamax market.
- The Dry Bulk Business as a whole posted a significant year-on-year improvement in profit, bolstered by improved profitability gained through more efficient vessel allocation at MOL Drybulk Ltd., which was established in April 2021.

Major Initiatives

● Iron Ore Carrier

- Six new Capesize bulkers were delivered.
- Signed a long-term transport contract for an LNG-fueled Capesize bulker with a steel company.
- Conducted a joint study with a major natural resource company for installation of wind propulsion system on existing vessels.

● Bulk Carrier

- Partnering with Enviva Partners, LP to introduce Wind Challenger and other technologies to reduce greenhouse gas (“GHG”) emissions in the ocean transportation of wood pellets.
- From April 2021, sales activities for dry bulk transport (bulk carriers, wood chip carriers, and short sea business), excluding services for steel manufacturers and domestic electric power companies, were integrated into MOL Drybulk Ltd.

● Woodchip Carrier

- Six new woodchip carriers were delivered. One of them is equipped with microplastic collection device.

Energy and Offshore Business

		Revenue composition ratio	23.16%
Revenues*		Ordinary profit (loss)	
FY2021	**¥294.0 billion**	FY2021	**¥19.8 billion**
FY2020	¥278.8 billion	FY2020	¥29.7 billion
FY2019	¥289.3 billion	FY2019	¥25.4 billion

* Revenues represent those from external customers.

[Major Business Lines]

- Owning and operating tankers such as crude oil tankers; product tankers that carry naphtha, gasoline and other refined petroleum products; and chemical tankers that carry liquid chemical products.
- Owning and operating LNG carriers that carry liquefied natural gas, and development of offshore businesses such as FPSO (floating production, storage and offloading system) and FSRU (floating storage and regasification unit).
- Owning and operating steaming coal carriers for the transport of coal for thermal power generation.
- Development and promotion of wind power generation related business.

Overview of FY2021 Market and Business Conditions

● Tankers

- The very large crude oil carrier (VLCC) market was sluggish throughout the year due to prolonged coordinated output cuts by major oil-producing countries and a lack of progress on the scrapping of vessels, despite a recovery in oil demand in response to the global economic recovery caused by a temporary subsiding of the spread of COVID-19.
- The product tanker market remained sluggish as cargo movement declined due to the slump in oil demand caused by the resurgence of COVID-19.
- The LPG carrier market remained firm against the backdrop of solid consumer demand and increased demand for petrochemicals mainly in China.
- Overall, the tanker division remained profitable due to stable fulfillment of long-term contracts, despite posting a decline in profit compared with the previous fiscal year due to the severe market environment.

● LNG Carriers/Offshore Business

- In the LNG Carrier Division, stable profits were secured mainly through long-term charter contracts including deliveries of one LNG carrier and one LNG-bunkering vessel, resulting in an increase in profits compared to the previous fiscal year.

● Gas and Offshore Business

- In the offshore business division, one unit each was delivered in the FPSO and FSRU businesses. Steady operations in existing projects brought about a profit level that was unchanged from the previous fiscal year.

● Electric Power Carbon Projects and Wind Energy Business
- Stable profits were secured due to steady operations of vessels in medium- to long-term contracts thanks to firm cargo volume for domestic coal-fired electric power plants.
- Aggressive marketing to develop new revenue-generating businesses against the backdrop of the global decarbonization trend.

Major Initiatives

● Tanker Business
- Established SAKURA ENERGY TRANSPORT PRIVATE LIMITED, a wholly owned subsidiary in India.
- Re-entered the ammonia carrier business.
- Concluded a share transfer agreement and a shareholders agreement with Methanex Corporation for the acquisition of Waterfront Shipping Limited shares.
- Participated in Japan's first condensate (ultra-light crude oil) transport project using icebreaking tankers.
- Signed contracts for two ETBE (bio-gasoline) carriers.

● LNG Carrier
- Signed a time charter contract for a new LNG carrier with Mitsui & Co., Ltd.
- Signed a long-term time charter contract for six new LNG carriers with China National Offshore Oil Corporation (CNOOC).
- Signed time charter contracts for four new LNG carriers with NOVATEK.

● Gas and Offshore Business
- MOL and Royal Vopak agreed to jointly own and operate an FSRU for an offshore LNG terminal in Hong Kong.
- Launched research and development on adoption of a large-scale liquefied carbon dioxide (CO_2) carrier to transport large volumes of CO_2 by vessel under a project entrusted to Japan CCS Co., Ltd. from Japan's New Energy and Industrial Technology Development Organization (NEDO).

● Electric Power Carbon Projects and Wind Energy Business
- Procured a newbuilding Panamax bulker to transport woody biomass for energy.
- 1st ship of next-generation coal carrier 'EeneX' Series designed to be environmentally friendly and safe was delivered.
- Acquired an equity stake in Formosa 1, the only utility-scale offshore wind power generation project in Taiwan.
- Seajacks Zaratan, operated by Seajacks International Limited Group, in which MOL has an equity stake, is engaged in the installation of wind turbine foundations for Japan's first large-scale commercial offshore windfarm project.

Product Transport Business			
		Revenue composition ratio	40.60%
Revenues*		Ordinary profit (loss)	
FY2021	**¥515.3 billion**	FY2021	**¥662.9 billion**
FY2020	¥395.1 billion	FY2020	¥102.6 billion
FY2019	¥475.4 billion	FY2019	¥6.7 billion

Containerships share of Product Transport Business			
		Revenue composition ratio	21.76%
Revenues*		Ordinary profit (loss)	
FY2021	**¥276.2 billion**	FY2021	**¥653.2 billion**
FY2020	¥219.4 billion	FY2020	¥117.1 billion
FY2019	¥226.4 billion**	FY2019	¥4.1 billion

* Revenues represent those from external customers.

[Major Business Lines]
- Owning and operating containerships, and operating container terminals
- Offering total logistics solutions through air and sea forwarding, land transport, warehousing services, services for the transport of heavy goods, etc.
- Owning and operating specialized car carriers for the transport of completed cars and construction machinery, and developing comprehensive car transport services such as land transport and terminal operation.
- Transporting passengers and cargos by operating ferries and coastal RoRo ships in inshore Pacific and Seto Inland Sea.

Overview of FY2021 Market and Business Conditions

● Containerships
- Ocean Network Express Pte. Ltd., an equity-method affiliate of MOL, continued to see robust transport demand, especially on Asia-North America and Asia-Europe services, throughout the year.
- With respect to vessel supply, disruptions persisted for the supply chain overall due to the spread of COVID-19, and congestion in ports and inland transport logistics worsened, particularly on the west coast of North America. As a result, spot freight rates remained at levels significantly higher than the previous year, resulting in a significant increase in profit year on year.

● Car Carriers
- Despite a series of automobile production cuts due to semiconductor shortages, transportation volume of completed cars increased substantially thanks to a recovery in global auto sales. In addition, adjustments in shipping capacity and rationalization of vessel allocation contributed to significant improvement of profitability year on year.

● Ferries and Coastal RoRo Ships
- Number of passengers did not recover to pre-pandemic levels and remained sluggish throughout the year, affected by prolonged issuance of a state of emergency and priority measures to prevent the spread of COVID-19.
- In the logistics business, the recovery trend was sustained by stay-at-home impacts on consumption.
- Profitability of the ferries and coastal RoRo ships business overall deteriorated compared to the previous fiscal year due to the factors including an increase in ship operation costs caused by rising bunker oil prices.

Major Initiatives

● Containerships (Ocean Network Express Pte. Ltd.)
- Launched new services bound for Africa from Asia with the aim of strengthening our presence in these growing markets.
- Proactive efforts were made to address environmental issues, such as strengthening sustainability and environmental impact reduction efforts in shipping in cooperation with the Port of Singapore Authority (PSA) and establishing the Global Centre for Maritime Decarbonization (GCMD), a fund to decarbonize the maritime industry, with the Maritime and Port Authority of Singapore (MPA).

● Terminals and Logistics
- In order to strengthen group management, we conducted a tender offer for Utoc Corporation, making it a wholly owned subsidiary in March 2022.
- In the logistics business, MOL Logistics (Tank Containers) was established jointly with Nippon Concept Corporation and MOL Logistics Co., Ltd. to strengthen the chemical transport business in Asia and the U.S.
- In the port business in Japan, we started a joint study with Mitsui E&S Machinery, Ltd. to introduce hydrogen fuel to port cargo handling machineries. As a part of the joint study, MOL decided to install a new near zero emission container yard crane developed by Mitsui E&S Machinery for the first time in Japan at the Kobe International Container Terminal operated by MOL.

● Car Carriers

- Promoted measures to address environmental issues, such as placing an order for four LNG-fueled car carriers and conducting sea trials using biofuels at Euro Marine Logistics N.V., a European coastal shipping subsidiary.
- Promoted operation and development of a business support system utilizing “Mathematical Optimization.”

● Ferries and Coastal RoRo Ships

- Decided to build two state-of-the-art ferries that are environmentally friendly (e.g., use LNG-fueled engines, etc.) and fulfill needs created by modal shift (e.g., fully private cabins, etc.).
- Two newly built ferries, “Ferry Kyoto” and “Ferry Fukuoka,” commenced service on the Osaka-Kitakyushu service.

Associated Businesses

		Revenue composition ratio	6.58%
Revenues*		Ordinary profit (loss)	
FY2021	**¥83.4 billion**	FY2021	**¥7.4 billion**
FY2020	¥78.9 billion	FY2020	¥9.4 billion
FY2019	¥96.5 billion	FY2019	¥12.3 billion

* Revenues represent those from external customers.

[Major Business Lines]
Real estate business, cruise ship business, tugboat business, trading business (fuel, vessel materials, sales of machinery, etc.), etc.

Overview of FY2021 Market and Business Conditions

- The real estate business recorded stable profits despite the reconstruction of some office buildings owned by DAIBIRU CORPORATION.
- The cruise ship business was affected by the COVID-19 pandemic and was forced to suspend operations over a long period, resulting in a deterioration in profitability.
- Tugboat business operating results were generally on a par with the previous year, albeit with some differences at each tugboat company and port.
- The Associated Businesses segment overall posted a decline in profits compared to the previous fiscal year.

Major Initiatives

- In the real estate business, conducted a tender offer to make DAIBIRU CORPORATION a wholly owned subsidiary.
- DAIBIRU CORPORATION participated in an office building development project in Hanoi, Vietnam.
- The LNG-fueled tugboat “Ishin” operated by Nihon Tug-Boat Co., Ltd. started using Carbon Neutral LNG, the first time as a marine fuel in Japan.
- In global human resources consulting business, began local training of Filipino plumbers (for acceptance by a subcontractor of Osaka Gas Co., Ltd.).

Others

		Revenue composition ratio	1.24%
Revenues*		Ordinary profit (loss)	
FY2021	**¥15.7 billion**	FY2021	**¥2.7 billion**
FY2020	¥16.3 billion	FY2020	¥2.6 billion
FY2019	¥16.8 billion	FY2019	¥3.4 billion

* Revenues represent revenues from external customers.

[Major Business Lines]
Ship management business, financing business, information service business, accounting service business, marine consulting business, etc.

Overview of FY2021 Market and Business Conditions
Ordinary profit in this segment, which is mainly the MOL Group's cost centers, was mostly unchanged from the previous fiscal year.

[Translation for Reference and Convenience Purposes Only]

3. Management Strategies of MOL and Issues to be Addressed

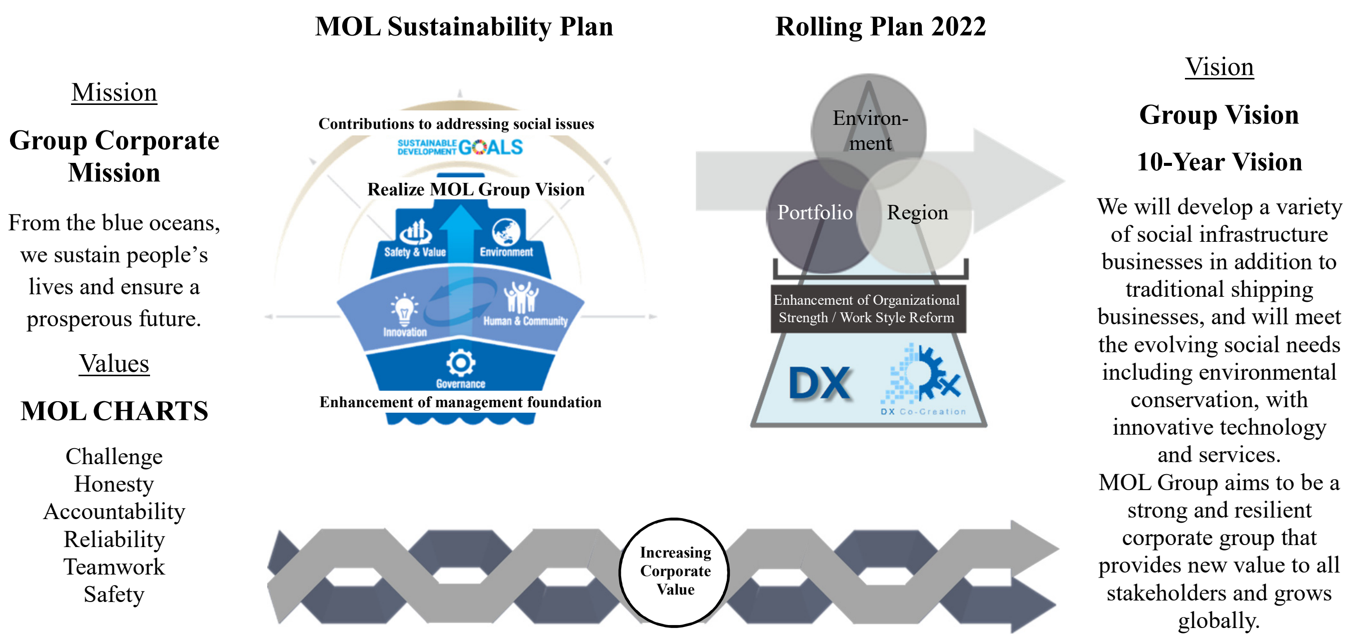
A. Management Plan "Rolling Plan 2022" – Integrating MOL Group Strengths to Achieve Growth Globally

Since the introduction of rolling plans for its management plans in FY2017, the Company has been setting specific key objectives for each fiscal year and working to realize them toward its vision for FY2027. We positioned FY2021, as a year in which cargo movements are beginning to recover from the slump caused by the impact of COVID-19, and focused on working our Environmental Strategy and Regional Strategy in order to prepare the groundwork for a return to a growth trajectory. In our Environmental Strategy, we announced Environmental Vision 2.1 as a long-term guideline, and built up orders for LNG carriers and LNG-fueled vessels in line with the trend towards reducing carbon emissions. In terms of the Regional Strategy, we promoted sales activities centered in China and India, resulting in the development of new customers and contracts, mainly for LNG carriers and tankers. Furthermore, in the Portfolio Strategy, which we are promoting along with the Environmental Strategy and Regional Strategy, we conducted tender offers for the shares of DAIBIRU CORPORATION and Utoc Corporation (described below).

With these initiatives, FY2021 saw a rapid improvement of the MOL Group's financial position as a result of brisk performance in its businesses, including the container shipping business, and the MOL Group achieved the (FY2027) financial targets presented in Rolling Plan 2021 during the fiscal year.

In FY2022, we have formulated Rolling Plan 2022, a new management plan with FY2022 as the final year of our "Rolling Plan." While continuing each strategy in Rolling Plan 2021, this year will also be a year for preparing to launch our next management plan, with a new target year of 2035, starting in FY2023. In addition, we will engage on two fronts with our recently formulated MOL Sustainability Plan and Rolling Plan 2022, and in doing so we will review the status of the organization that forms the supporting foundation for proactive investment going forward. We will ramp up DX in coordination with "Innovation" under the MOL Sustainability Plan as a fundamental initiative to enhance organizational strength and work-style reform.

<Positioning of the Management Plan>

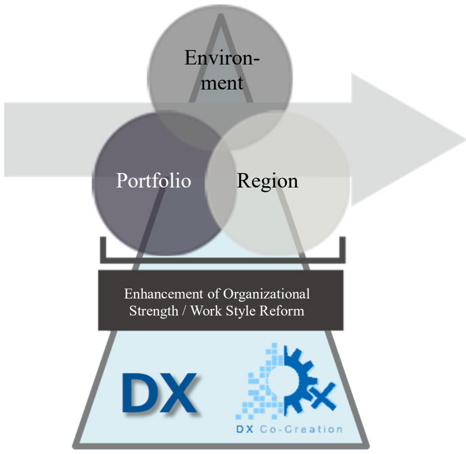


[Translation for Reference and Convenience Purposes Only]

<Features of Rolling Plan 2022>

Highlights:
Boost active investment supported by improved balance sheet, expecting ¥1.9 trillion in total* for 6 years (FY2022-2027), including new investment of ¥1.6 trillion.
* This indicates cumulative cash-out for investment incurred in 6 years.

Portfolio Strategy	Strengthen non-shipping businesses (offshore business, offshore wind power, logistics, real estate, and others) and grow non-shipping business profit from ¥14.0 billion (FY2021 result) up to ¥60.0-¥80.0 billion in FY2035.
Environmental Strategy	Continue initiatives stated in Environmental Vision 2.1 and boost investment in next 3 years up to ¥360.0 billion.
Regional Strategy	Acquire large-scale projects not limited to transportation focusing on Asia by demonstrating MOL Group's collective strength. (Introduce new agile organizational structure between our headquarters and regional teams to develop new business jointly, which starts from India as a pilot case)



<Profit target, expected cash flows, financial target, and dividend policy> (¥ billion)

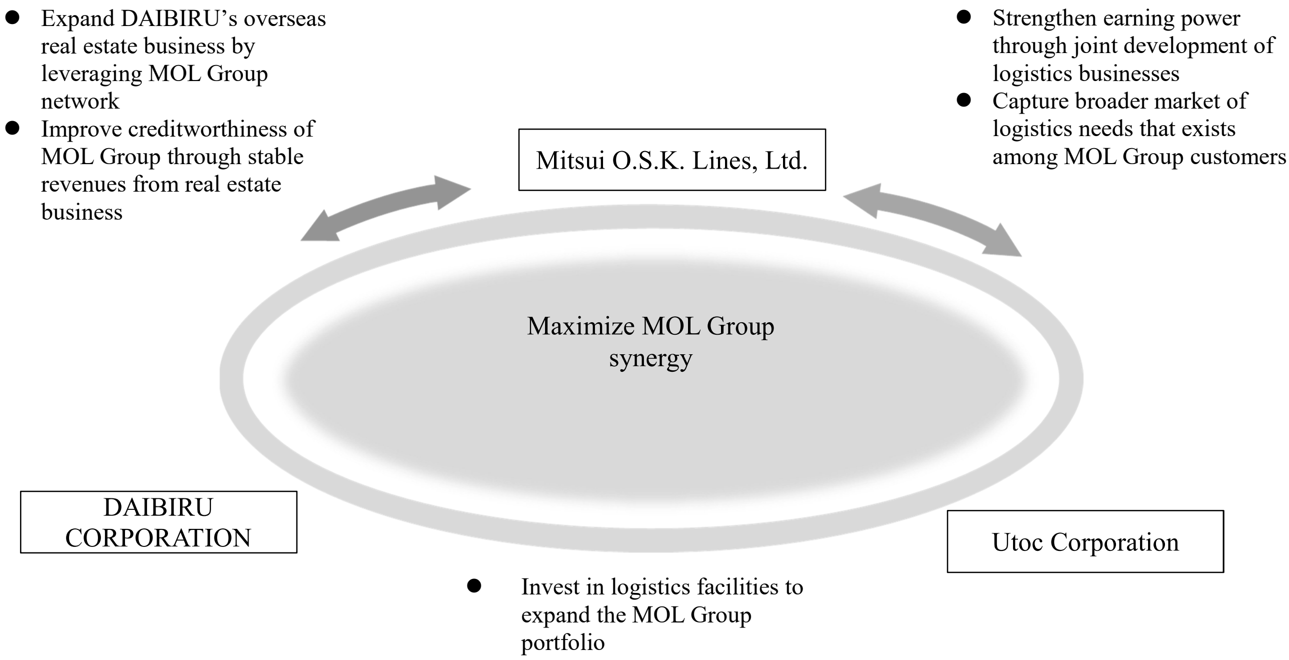
	FY2021 (Results)	FY2022 (Forecast)	FY2023 (Forecast)	FY2024 (Forecast)	FY2027 (Target)
<Profit target>					
Ordinary profit	721.7	525.0	140.0	145.0	200.0
ROE	76.5%	35%		7-8%	9-10%
<Cash flows>				(FY2022-24 cumulative)	(FY2022-27 cumulative)
CFs from operating activities (1)	307.6			820.0	1,570.0
CFs from investing activities (2)	107.4			880.0	1,630.0
Of which: Total investment amount				1,000.0	1,930.0
Asset sales/ cash generation				(120.0)	(300.0)
Free CF ((1) - (2))	200.2			(60.0)	(60.0)
<Financial target>					
Net gearing ratio	0.71			0.8	Less than 1.0

■ With regard to shareholder return, the Company is planning for an approximately 25% dividend payout ratio in FY2022, but for FY2023 onward, we may review our dividend policy taking into account our progress in our investment plan and the trend in the Prime Market of Tokyo Stock Exchange.

<Initiatives of the Portfolio Strategy>

Under our Portfolio Strategy outlined in the Rolling Plan 2022, we plan on strengthening our non-shipping businesses (offshore business, offshore wind power, logistics, real estate, and others), with the objective of growing non-shipping business profit from the approximately ¥14.0 billion achieved in FY2021 to a level of ¥60.0-¥80.0 billion in FY2035. In order to achieve this target, we plan to make continuous and aggressive investments in offshore, offshore wind power, logistics, real estate and other fields. Particularly, we plan to implement new investment of a scale of ¥100.0 billion for the real estate business, alone.

During period from FY2021 into FY2022, we have made DAIBIRU CORPORATION and Utoc Corporation wholly owned subsidiaries in the real estate and logistics businesses, which are positioned as the central non-shipping operations of MOL Group. While working to grow MOL Group's revenue overall and strengthening the MOL Group's management by making DAIBIRU and Utoc wholly owned subsidiaries, we will also work to achieve sustainable improvement in corporate value.



B. MOL Sustainability Plan

In April 2022, MOL formulated its “MOL Sustainability Plan,” as part of its efforts to realize a sustainable society and enhance the corporate value of the MOL Group. In formulating this Plan, we reviewed the “Sustainability Issues (Materiality),” which are social issues that the MOL Group should prioritize through its business, and established specific targets, KPIs, and action plans tied to each issue.

Under the leadership of the Environment & Sustainability Committee, we will steadily implement this plan to solve “Sustainability Issues” and expand the corporate value of the entire group through the realization of the “Group Vision.” Through these initiatives, we will also contribute toward the realization of a sustainable society.

a. Review of Sustainability Issues (Materiality)

In 2019, the MOL Group identified the social issues that should be prioritized through its business operations and defined them as Sustainability Issues. Two years have passed since the Sustainability Issues were identified, and we reviewed them in light of the changing business environment around the MOL Group and the changes in the social environment, such as climate change, human rights issues, and so on. This review clarifies the Group’s commitment to “safety,” and focuses on its aim of success and co-existence not only among MOL Group executives and employees, but also among “everyone” who are involved in MOL group businesses.

[Translation for Reference and Convenience Purposes Only]

About Sustainability Issues (Materiality)

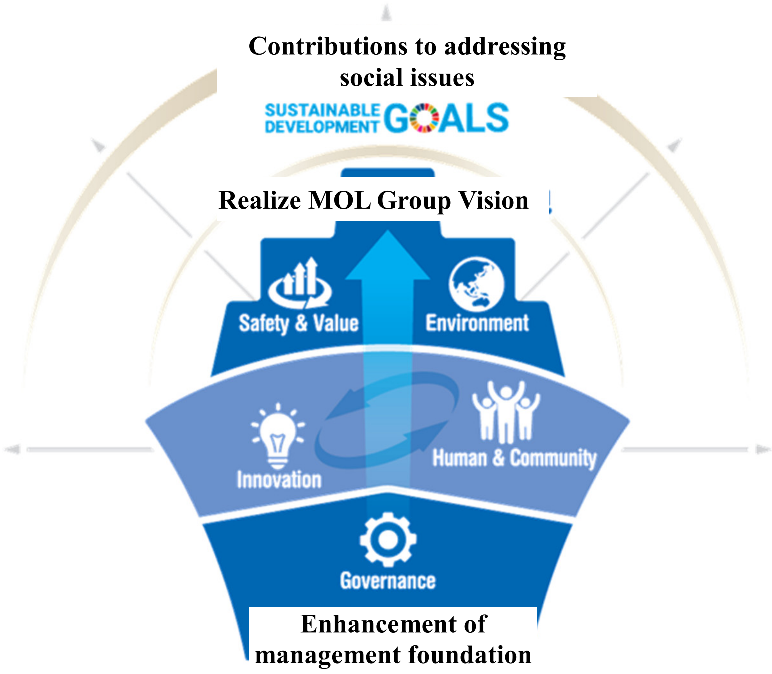
Safety & Value Provide added value through safe transportation and our social infrastructure business	**Environment** Conservation for Marine and global environment	**Human & Community** Contributing to the growth and development of people and communities	**Innovation** Innovation for development in marine technology	**Governance** Governance and compliance to support businesses
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 continually aims to expand its social infrastructure business, centered primarily on ocean shipping.	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.	MOL aims to achieve successful coexistence among everyone in the MOL Group and in 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.	MOL aims to enhance its business through advanced technologies using clean energy and ICT, and to contribute to addressing various social issues. This will also help the group "Provide added value through safe transportation and our social infrastructure business" and achieve its goal of "Conservation for Marine and global environment."	Through enhancement of corporate governance and thorough compliance, MOL aims to ensure transparency in group-wide management, build the foundation for its initiatives on social issues through business activities, and to establish sustainable value chains in consideration of human rights, safety, and the environment.
Theme of initiative	Theme of initiative	Theme of initiative	Theme of initiative	Theme of initiative
● Value through main business ● Safety quality ● More added value	● Climate change countermeasures ● Preservation of marine environments ● Protection of biodiversity ● Prevention of air pollution ● Environmental management	● Human resources development ● Workstyle reforms ● Diversity & inclusion ● Health & productivity management ● Stakeholder engagement ● Regional development	● Promote wide adoption of clean energy ● Increasing energy efficiency of vessels ● Safe/efficient operation using ICT ● Frameworks for technology development and DX	● Management transparency ● Information security ● Responsible procurement ● Respect for human rights ● Fair trade ● Anti-bribery
SDGs to contribute through initiatives	SDGs to contribute through initiatives	SDGs to contribute through initiatives	SDGs to contribute through initiatives	SDGs to contribute through initiatives
1 NO POVERTY 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 14 LIFE BELOW WATER 15 LIFE ON LAND	4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 17 PARTNERSHIPS FOR THE GOALS	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 14 LIFE BELOW WATER 17 PARTNERSHIPS FOR THE GOALS	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS

b. Establishment of Targets, KPIs, and Action Plans for Sustainability Issues

The MOL Group considers the resolution of "Sustainability Issues" to be essential to the realization of the Group Vision. We have established targets, KPIs, and action plans tied to each issue for the purpose of strengthening our efforts to address the issues, measuring effectiveness and implementing improvement activities appropriately. Progress of this Plan will be reported regularly on our website and in our Integrated Report.

For details, please refer to our website

→ https://mol.disclosure.site/en/themes/134?_ga=2.137787312.1690476513.1652321761-1335955823.1652321761



Conceptual Diagram of Sustainability Issues

Since 2012, MOL Group is under investigation of antitrust authorities in the U.S. and other countries on suspicion of violation of each country's competition laws in connection with ocean transport services of completed build-up vehicles. In connection therewith, class-action lawsuits were also filed in U.K., etc. against MOL Group seeking damages and cease and desist order for MOL's conduct in question. The MOL Group takes this situation very seriously, and will continue to work to enhance compliance, including compliance with antitrust laws, and to prevent recurrence.

4. Financial Position and Results of Operations

(¥ million)

Category	FY2018	FY2019	FY2020	FY2021 (current fiscal year)
Revenues	1,234,077	1,155,404	991,426	1,269,310
Ordinary profit	38,574	55,090	133,604	721,779
Profit attributable to owners of parent	26,875	32,623	90,052	708,819
Net income per share (¥)	74.90	90.93	250.99	1,970.16
Total assets	2,134,477	2,098,717	2,095,559	2,686,701
Total net assets	651,607	641,235	699,150	1,334,866
ROE (Ratio of net income to shareholders' equity)	5.2%	6.3%	16.5%	76.5%
ROA (Ratio of ordinary profit to total assets)	1.8%	2.6%	6.4%	30.2%
Equity ratio	24.6%	24.5%	27.6%	47.4%
Net gearing ratio* *(Interest-bearing debt - Cash and cash equivalents)/Shareholders' equity	188%	194%	163%	71%

Notes:
1. Figures in revenues, ordinary profit, profit attributable to owners of parent, total assets and total net assets are rounded down to the nearest million.
2. The Company split its common share on the basis of one (1) share into three (3) shares effective April 1, 2022. Net income per share is calculated on the assumption that said split of shares had been made at the beginning of FY2018.
3. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the current fiscal year, and each figure for the current fiscal year is the figure after applying the accounting standard and relevant ASBJ regulations.

5. Fund Raising

The Group's funds required in the fiscal year under review were financed mainly with our own resources and borrowings from financial institutions.

6. Capital Investment

The Group's capital investment, mainly in ships, implemented in the fiscal year under review amounted to ¥114.0 billion.

(¥ million)

Name of Segment	Amount of Capital Investment
Dry Bulk Business	4,612
Energy and Offshore Business	47,449
Product Transport Business	46,989
Containerships only	22,470
Associated Businesses	8,215
Others	283
Adjustment	6,451
Total	114,003

Notes:
1. Figures less than one million yen are rounded down to the nearest million.
2. "Adjustment" includes assets which are not allocated to segments and reconciled transactions among segments.

Twenty-three vessels in Dry Bulk Business, Energy and Offshore Business, and Product Transport Business were sold and removed.

Sale of Vessels, Etc.

Name of Segment		Number of Vessels	Deadweight Tons (in thousands)	Book Value (¥ million)
Dry Bulk Business		4	359	3,324
Energy and Offshore Business		18	1,564	13,331
Product Transport Business		1	17	556
	Containerships only	–	–	–
Total		23	1,941	17,213

Notes: 1. Figures less than one million yen are rounded down to the nearest million.
2. The one vessel in the Product Transport Business was removed.

7. Major Creditors (As of March 31, 2022)

(¥ million)

Creditor	Loan Outstanding
Development Bank of Japan Inc.	76,892
Sumitomo Mitsui Banking Corporation	63,594
MUFG Bank, Ltd.	34,313
THE YAMAGUCHI BANK, Ltd.	25,483
Shinkin Central Bank	24,379

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

8. Principal Business (As of March 31, 2022)

Marine transportation business, such as collection of freight, ship charter hire and operation handling charges by providing worldwide maritime cargo transport services including bulk carriers, various specialized vessels, tankers, LNG carriers and containerships; offshore business; warehousing business; real estate leasing business

9. Principal Business Offices (As of March 31, 2022)

■ The Company

	Location
Head and registered office	Tokyo Pref.
Branch offices	Hokkaido (Hokkaido Pref.), Nagoya (Aichi Pref.), Kansai (Osaka Pref.), Kyushu (Fukuoka Pref.), Hiroshima (Hiroshima Pref.)
Representative office	Beijing Representative Office (China)

■ Subsidiaries

- Principal domestic business offices
  Tokyo Pref., Kanagawa Pref., Osaka Pref., Hyogo Pref.
- Principal overseas business offices
  U.S.A., Mexico, Brazil, Chile, United Kingdom, Germany, the Netherlands, Belgium, Turkey, South Africa, China, Taiwan, South Korea, the Philippines, Vietnam, Singapore, Malaysia, Indonesia, India, Thailand, Myanmar, Australia, New Zealand, UAE

[Translation for Reference and Convenience Purposes Only]

10. Shipping Tonnage of the Group (As of March 31, 2022)

Category	Dry Bulk Business		Energy and Offshore Business		Product Transport Business	
	Dry Bulkers		Tankers, LNG Carriers and Steaming Coal Carriers*			
	Number of Vessels	Deadweight Tons	Number of Vessels	Deadweight Tons	Number of Vessels	Deadweight Tons
		in thousands		in thousands		in thousands
Owned vessels	36	3,952	102	10,925	75	2,219
Chartered vessels	247	21,489	153	8,027	80	4,178
Others	0	0	2	36	0	0
Total	283	25,441	257	18,987	155	6,397

Category	Product Transport Business		Associated Businesses		Others		Total	
	Containerships only		Cruise Ship		Others			
	Number of Vessels	Deadweight Tons	Number of Vessels	Deadweight Tons	Number of Vessels	Deadweight Tons	Number of Vessels	Deadweight Tons
		in thousands		in thousands		in thousands		in thousands
Owned vessels	16	1,290	1	4	–	–	214	17,100
Chartered vessels	31	3,408	–	–	2	12	482	33,706
Others	0	0	0	0	0	0	2	36
Total	47	4,698	1	4	2	12	698	50,842

* Including coastal ships (except for coastal RoRo ships).

11. Employees (As of March 31, 2022)

■ Employees of the Group

Name of Segment	Number of Employees	
Dry Bulk Business	306	(48)
Energy and Offshore Business	857	(82)
Product Transport Business	4,343	(850)
Containerships only	3,353	(696)
Associated Businesses	1,996	(1,322)
Others	681	(77)
Company-wide (common)	364	(115)
Total	8,547	(2,494)
As of March 31, 2021	8,571	(2,463)

Notes: 1. The number of employees includes the entire labor force, and the approximate average number of temporary employees is indicated in parentheses.
2. The employees indicated as Company-wide (common) belong to administrative departments, which cannot be classified in any specific segment.

■ Employees of the Company

Number of Employees		Year-on-year Increase (Decrease)	Average Age	Average Years of Service
	persons	persons	years old	years
Employees on land duty	769	(25)	39.4	15.1
Employees on sea duty	329	4	34.9	11.9
Total	1,098	(21)	38.0	14.1

Notes: 1. The number of employees on land duty does not include 393 employees dispatched outside the Company and 235 non-regular employees and others.
2. The number of employees on sea duty does not include 2 employees dispatched outside the Company and 33 non-regular employees and others.

12. Principal Subsidiaries (As of March 31, 2022)

Company	Paid-in Capital (¥ million)	Percentage of Equity Participation (%)	Principal Business
DAIBIRU CORPORATION	12,227	82.63	Real estate business
Utoc Corporation	2,155	100.00	Harbor and transportation business
MOL Ferry Co., Ltd.	1,577	100.00	Marine transportation business
MOL Logistics Co., Ltd.	756	75.06	Air Transport agents and other businesses
MOL Drybulk Ltd.	660	100.00	Marine transportation business
Nissan Motor Car Carrier Co., Ltd.	640	90.00	Marine transportation business
MOL Techno-Trade, Ltd.	490	100.00	Sales of fuel oil/vessel materials/ machinery
Mitsui O.S.K. Passenger Line, Ltd.	100	100.00	Marine transportation business
Ferry Sunflower Ltd.	100	99.00	Marine transportation business
Phoenix Tankers Pte. Ltd.	229,311 USD Thousand	100.00	Marine transportation business
MOL Chemical Tankers Pte. Ltd.	262,369 SGD Thousand	100.00	Marine transportation business
TraPac, LLC.	–	*51.00	Harbor and transportation business

Notes:
1. Figures less than one million yen are rounded down to the nearest million. Figures less than one thousand USD and one thousand SGD are rounded down to the nearest thousand.
2. Percentage of Equity Participation is the total of percentage of direct equity participation by the Company and indirect equity participation through subsidiaries.
   Figures prefixed by * include a percentage of indirect equity participation by subsidiaries. Such figures reflect the percentage of equity participation of the holding subsidiary held by the Group.

13. Principal Equity Method Affiliates (As of March 31, 2022)

Company	Paid-in Capital	Percentage of Equity Participation (%)	Principal Business
Ocean Network Express Pte. Ltd.	3,000,000 USD Thousand	*31.00	Marine transportation business

Notes:
1. Figures less than one thousand USD are rounded down to the nearest thousand.
2. Percentage of Equity Participation is the total of percentage of direct equity participation by the Company and indirect equity participation through affiliates.
   Figures prefixed by * include a percentage of indirect equity participation by affiliates. Such figures reflect the percentage of equity participation of the holding affiliate held by the Group.

[Translation for Reference and Convenience Purposes Only]

II. Status of Shares (As of March 31, 2022)

1. **Total Number of Shares Authorized to Be Issued** 315,400,000 shares
2. **Number of Shares Issued** 120,628,611 shares
(**including own shares** 348,548 shares)

Notes: 1. Pursuant to the provisions of Article 184, paragraph (2) of the Companies Act, the Company amended Article 6 of the Articles of Incorporation effective April 1, 2022, increasing the total number of shares authorized to be issued by 630,800,000 shares to 946,200,000 shares.
2. On April 1, 2022, the Company executed a 3-for-1 stock split of shares of common stock. As a result, the total number of issued shares increased by 241,257,222 shares to 361,885,833 shares.

3. **Number of Shareholders** 137,413 parties
4. **Major Shareholders**

Name of Shareholders	Investment in the Company by the Shareholders	
	Number of Shares (in thousands)	Investment ratio (%)
1. The Master Trust Bank of Japan, Ltd. (Trust Account)	19,695	16.38
2. Custody Bank of Japan, Ltd. (Trust Account)	8,610	7.16
3. STATE STREET BANK WEST CLIENT - TREATY 505234	3,344	2.78
4. Sumitomo Mitsui Banking Corporation	3,000	2.49
5. Mitsui Sumitomo Insurance Co., Ltd.	2,816	2.34
6. JPMorgan Securities Japan Co., Ltd.	2,767	2.30
7. Sumitomo Mitsui Trust Bank, Limited	1,487	1.24
8. Goldman Sachs Japan Co., Ltd. BNYM	1,470	1.22
9. Mizuho Bank, Ltd.	1,400	1.16
10. Sumitomo Life Insurance Company	1,060	0.88

Notes: 1. Shares less than 1,000 have been rounded down to the nearest 1,000 shares.
2. Shares of the above loan and trust companies include shares related to trust services.
3. The investment ratio is calculated excluding own shares (348,548 shares).

■ **Composition of shareholders**

Financial institutions	40.5% (including 29.4% of trust account)
Individual investors	25.7%
Domestic corporations	3.5%
Foreign investors	23.2%
Securities companies	6.8%
Own shares	0.3%

[Translation for Reference and Convenience Purposes Only]

III. Matters Concerning Share Acquisition Rights

1. Outline of Share Acquisition Rights Held by the Company's Officers at the End of the Fiscal Year under Review, etc.

Issue date	August 13, 2012	August 16, 2013	August 18, 2014	August 17, 2015	August 15, 2016
Total number of holders (persons)	1	3	4	6	1
MOL Directors (excluding outside directors) (persons)	1	3	4	6	0
MOL Outside Directors (persons)	0	0	0	0	1
MOL Audit & Supervisory Board Members (persons)	None	None	None	None	None
Total number of share acquisition rights (units)	10	60	80	197	20
Class and number of shares subject to the share acquisition rights (shares)	(common stock) 1,000	(common stock) 6,000	(common stock) 8,000	(common stock) 19,700	(common stock) 2,000
Paid-in value at exercise of share acquisition rights (yen)	without consideration	without consideration	without consideration	without consideration	without consideration
Exercise price (yen per share)	2,770	4,470	4,120	4,270	2,420
Exercise period of the share acquisition rights	July 28, 2014 to June 21, 2022	August 2, 2015 to June 20, 2023	August 2, 2016 to June 23, 2024	August 1, 2017 to June 20, 2025	August 1, 2018 to June 19, 2026
Exercise conditions of the share acquisition rights	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)

Issue date	August 15, 2017	August 15, 2018	August 15, 2019	August 17, 2020
Total number of holders (persons)	8	7	7	9
MOL Directors (excluding outside directors) (persons)	6	5	5	6
MOL Outside Directors (persons)	2	2	2	3
MOL Audit & Supervisory Board Members (persons)	None	None	None	None
Total number of share acquisition rights (units)	287	175	290	350
Class and number of shares subject to the share acquisition rights (shares)	(common stock) 28,700	(common stock) 17,500	(common stock) 29,000	(common stock) 35,000
Paid-in value at exercise of share acquisition rights (yen)	without consideration	without consideration	without consideration	without consideration
Exercise price (yen per share)	3,780	2,943	2,962	2,105
Exercise period of the share acquisition rights	August 1, 2019 to June 25, 2027	August 1, 2020 to June 23, 2028	August 1, 2021 to June 22, 2029	August 1, 2022 to June 21, 2030
Exercise conditions of the share acquisition rights	(Note 1)	(Note 1)	(Note 1)	(Note 1)

Notes:
1. 1) A share acquisition right cannot be partially exercised.
   2) Even if the grantee no longer holds a position as an officer of the Company, he/she may exercise share acquisition rights. However, if the grantee is sentenced to imprisonment or heavier penalty, dismissed from office, or passes away, the granted share acquisition rights shall become invalid immediately.
   3) Other exercise conditions of share acquisition rights are according to the decision of the Board of Directors.
2. The share acquisition rights include rights granted prior to their appointments as MOL directors.
3. The Company implemented a stock split with an effective date of April 1, 2022 when each share of common stock was split into 3 shares.
   The table above shows the number and price of shares as of March 31, 2022 before the stock split.

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

Issue date	August 16, 2021
Total number of employees granted (persons)	96
MOL employees (excluding one serving as an MOL officer/executive officer) (persons)	70
Officers and employees of MOL subsidiaries (excluding ones serving as an MOL officer/executive officer/employee) (persons)	26
Total number of share acquisition rights (units)	960
Class and number of shares subject to the share acquisition rights (shares)	(common stock) 96,000
Paid-in value at exercise of share acquisition rights	without consideration
Exercise price (yen per share)	7,350
Exercise period of the share acquisition rights	August 1, 2023 to June 20, 2031
Exercise conditions of the share acquisition rights	(Note)

Notes:
1. A share acquisition right cannot be partially exercised.
2. Even if the grantee no longer holds a position as an MOL employee, he/she may exercise share acquisition rights. However, if the grantee is sentenced to imprisonment or heavier penalty, dismissed from office, or passes away, the granted share acquisition rights shall become invalid immediately.
3. Other exercise conditions of share acquisition rights are according to the decision of the Board of Directors.

3. Other Significant Matters Concerning Share Acquisition Rights, etc.

There are no significant matters to report.

[Translation for Reference and Convenience Purposes Only]

IV. Matters Concerning Officers

1. Directors and Audit & Supervisory Board Members (As of March 31, 2022)

Position	Name	Assignment	Significant Concurrent Positions Outside the Company
Representative Director, Chairman Executive Officer	Junichiro Ikeda		
Representative Director, President, Chief Executive Officer	Takeshi Hashimoto	Chairman, Work-Style Reforms Committee	
Representative Director, Executive Vice President, Executive Officer	Akihiko Ono	Assistant to President, Chief Safety Officer, Chief Compliance Officer, Chief Information Officer, Deputy Director General, Headquarters of Safety Operations, Deputy Director General, 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.	
Director, Senior Managing Executive Officer	Toshiaki Tanaka	Chief Environment and Sustainability Officer, Director General, Dry Bulk Business Unit, Responsible for: Environment & Sustainability Strategy Division, Supervisor for Corporate Marketing Division	
Director, Senior Managing Executive Officer	Kenta Matsuzaka	Director General, Energy and Offshore Business Unit, Responsible for: Europe and Africa Area	
Director, Managing Executive Officer	Yutaka Hinooka	Chief Communication Officer, Responsible for: Corporate Planning Division, Corporate Communication Division, Accounting Division	
Director	Hideto Fujii		Provided in 5. Matters Concerning Outside Officers below.
Director	Etsuko Katsu		Provided in 5. Matters Concerning Outside Officers below.
Director	Masaru Onishi		Provided in 5. Matters Concerning Outside Officers below.
Full-time Audit & Supervisory Board Member	Toshiaki Takeda		Audit & Supervisory Board Member, Utoc Corporation
Full-time Audit & Supervisory Board Member	Masanori Kato		
Audit & Supervisory Board Member	Hideki Yamashita		Provided in 5. Matters Concerning Outside Officers below.
Audit & Supervisory Board Member	Junko Imura		Provided in 5. Matters Concerning Outside Officers below.

[Translation for Reference and Convenience Purposes Only]

Notes:
1. Directors Hideto Fujii, Etsuko Katsu, and Masaru Onishi are outside directors. They satisfy the requirements for independent officer stipulated under the regulations of the stock exchanges on which the Company's common share is listed, as well as the requirements for independence stipulated under the Company's "Independence Criteria for Outside Officers" (pages 21 and 22).
2. Audit & Supervisory Board Members Hideki Yamashita and Junko Imura are outside audit & supervisory board members. They satisfy the requirements for independent officer stipulated under the regulations of the stock exchanges on which the Company's common share is listed, as well as the requirements for independence stipulated under the Company's "Independence Criteria for Outside Officers" (pages 21 and 22).
3. Hideki Yamashita, an audit & supervisory board member, is familiar with corporate legal affairs as an attorney at law, and has considerable knowledge about finance and accounting.
4. Junko Imura, an audit & supervisory board member, has qualifications as a certified public accountant and considerable knowledge about finance and accounting.
5. At the conclusion of the Ordinary General Meeting of Shareholders held on June 22, 2021, Audit & Supervisory Board Member Kenji Jitsu resigned from his office due to expiration of his term.
6. Director Akihiko Ono resigned as of March 31, 2022.
7. Executive officers as of March 31, 2022 are as follows (excluding ones concurrently serving as director).

Executive Officers (As of March 31, 2022)

Position	Name	Assignment
Managing Executive Officer	Masato Koike	Deputy Director General, Energy and Offshore Business Unit, Responsible for: Bunker Business Division, Tanker Division
Managing Executive Officer	Toshinobu Shinoda	Deputy Director General, Dry Bulk Business Unit, Responsible for: Work Efficiency Improvement, Dry Bulk Business Planning & Co-ordination Division, Iron Ore and Coal Carrier Division
Managing Executive Officer	Hirofumi Kuwata	Deputy Director General, Dry Bulk Business Unit, Energy and Offshore Business Unit, Responsible for: Power Solution & Carbon Project Division, Wind Power Energy Business Division, Secondarily Responsible for Ferry and Associated Business Division
Managing Executive Officer	Nobuo Shiotsu	Responsible for: Asia, Middle East and Oceania Area, Managing Director, MOL (Asia Oceania) Pte. Ltd., Managing Director, MOL Treasury Management Pte. Ltd.
Managing Executive Officer	Hiroyuki Nakano	Deputy Director General, Energy and Offshore Business Unit, Responsible for Offshore Project Division, Secondarily Responsible for Offshore Technical Division
Managing Executive Officer	Hirotoshi Ushioku	Director General, Product Transport Business Unit, Responsible for: the Americas Area, Car Carrier Division
Managing Executive Officer	Kazuhiko Kikuchi	Deputy Director General, Dry Bulk Business Unit, President, MOL Drybulk Ltd.
Managing Executive Officer	Junko Moro	Responsible for: Diversity Promotion, Corporate Communication Division (ER), Human Resources Division
Executive Officer	Mitsuru Endo	Deputy Director General, Headquarters of Safety Operations, Responsible for: Marine Technical Management Division, LNG Marine Technical & Ship Management Strategy Division, Secondarily Responsible for: Marine Safety Division, Smart Shipping Division
Executive Officer	Osamu Sakurada	Deputy Director General, Product Transport Business Unit, Responsible for: Regional Strategy in Japan, Port Projects & Logistics Business Division, Ferry and Associated Business Division

Executive Officer	Ryusuke Kimura	Chief Digital Officer, Assistant to Chief Information Officer, Deputy Director General, Technology Innovation Unit, Deputy Director General, Product Transport Business Unit, Responsible for: Corporate Marketing Division, Liner Business Management Division
Executive Officer	Kyoya Nitta	Deputy Director General, Energy and Offshore Business Unit, Responsible for Energy Business Strategy Division
Executive Officer	Akio Mitsuta	Deputy Director General, Energy and Offshore Business Unit, Responsible for Tanker Division (Chemical Tanker Business), Managing Director/Chief Executive Officer, MOL Chemical Tankers Pte. Ltd.
Executive Officer	Ryoji Mitani	General Manager, Accounting Division
Executive Officer	Mitsuhisa Tanimoto	Assistant to Chief Safety Officer, Director General, Headquarters of Safety Operations, Responsible for: Human Resources Division, Marine Safety Division, Secondarily Responsible for: Offshore Technical Division, Smart Shipping Division
Executive Officer	Makoto Yamaguchi	Chief Technical Officer, Director General, Technology Innovation Unit, Responsible for: Technical Division, Offshore Technical Division, Smart Shipping Division, Secondarily Responsible for MOL Information Systems, Ltd.
Executive Officer	Hisashi Umemura	Chief Financial Officer, Responsible for: Corporate Communication Division (IR), Finance Division
Executive Officer	Kazuya Hamazaki	Deputy Director General, Energy and Offshore Business Unit, Responsible for: LNG Carrier Division, Offshore Gas Project Division, LNG Marine Technical & Ship Management Strategy Division

[Translation for Reference and Convenience Purposes Only]

2. Amounts of Remunerations, etc. of Directors and Audit & Supervisory Board Members

Category	Number of Persons Remunerated	Total Amount of Remunerations Paid (¥ million)	Total Amount of Remunerations by Type (¥ million)		
			Basic compensation	Performance-linked compensation, etc.	Non-monetary compensation, etc.
			Monthly remuneration (cash)	Single fiscal year performance-based compensation (cash)	Performance-linked stock compensation (stock-based)
Directors (of which, outside directors)	9 (3)	1,175 (41)	362 (41)	656 (-)	157 (-)
Audit & Supervisory Board Members (of which, outside audit & supervisory board members)	5 (2)	95 (24)	95 (24)	- (-)	- (-)
Total (of which, outside officers)	14 (5)	1,270 (65)	457 (65)	656 (-)	157 (-)

Notes:
1. The above includes remuneration related to one (1) audit & supervisory board member (who was not an outside audit & supervisory board member) who resigned at the conclusion of the Ordinary General Meeting of Shareholders held on June 22, 2021.
2. Of the above, the total amount of remuneration, etc. paid to the five (5) outside officers is ¥65 million.
3. Recorded figures less than one million yen are rounded down to the nearest million yen.

(1) Policy, etc. for determining the contents of remuneration, etc. of officers

At the meeting of the Board of Directors held on May 20, 2021, the Company passed a resolution on the Company Policy for Decisions on the contents of individual remuneration, etc. of directors. Objective and transparent procedures were taken by having the Board of Directors make a decision after involving the Remuneration Advisory Committee, in which the majority of members are outside directors and which is chaired by an outside director.

The Board of Directors and the Remuneration Advisory Committee respectively conducted a deliberation on monthly compensation and bonuses three times in total in the course of determining the amount of remuneration, etc. of the Company's officers in the fiscal year under review. As for individual remuneration, etc. of directors for the fiscal year under review, the Board of Directors determined that the remuneration, etc. are in accordance with the determination policy due to the fact that the Board of Directors confirmed that the method of determining the contents of remuneration, etc. and the determined contents of remuneration, etc. are consistent with the determination policy on the contents of individual remuneration, etc. and that the report received from the Remuneration Advisory Committee as the result of its review, which takes into account the said policy, has been respected.

The outline of the contents of the policy for determining the contents of individual remuneration, etc. of directors is as follows:

(i) Basic Policy

Remuneration of the Company's directors shall encourage them to execute their duties in conformance with "MOL CHARTS," which represents MOL Group's values and code of conduct, and to motivate them strongly to achieve the Group Vision and the Management Plan (Rolling Plan), with the aim of sustainable enhancement of corporate value in line with the MOL Group's Corporate Mission.

Remuneration level shall be suitable for attracting and retaining human resources and shall motivate employees to become officers of the Company.
With regard to the composition of remuneration, remunerations of directors serving concurrently as executive officers shall consist of basic compensation (cash compensation), single fiscal year performance-based compensation (cash compensation) as performance-linked compensation, and long-term target contribution-based compensation (non-monetary compensation) as performance-linked compensation. Remunerations of outside directors, whose primary role is business execution supervisor, shall consist of basic compensation only in order for them to stress the importance of that role.
The composition ratios of remuneration shall be set to allow the proportions of remuneration linked to short-term performance and medium- to long-term performance to be set appropriately by taking into account the business characteristics and shall also enable the demonstration of sound entrepreneurial spirit and the greater alignment of value with the shareholders.
Objective and transparent procedures will be taken by having the Remuneration Advisory Committee, in which the majority of members are outside directors and which is chaired by an outside director, become involved in the formulation of proposal for remuneration structure, and by having the Company's Board of Directors make decisions after receiving reports from the Remuneration Advisory Committee.

(ii) Policy on determination of amount and timing or conditions of granting individual remuneration, etc. of basic compensation (cash compensation)
The Company determines individually the amount of basic compensation (cash compensation) of the Company's directors by taking into account the weight of their respective responsibilities and pays them in cash a fixed amount on a monthly basis during their term of office.

(iii) Policy on determination of contents of performance indicators, amount or calculation method, and timing or conditions of granting performance-linked compensation (cash compensation)
Single fiscal year performance-based compensation (cash compensation) as performance-linked compensation of the Company is paid to directors serving concurrently as executive officers during each fiscal year. The Company strives to enhance the linkage between performance indicators and amount of remuneration and to ensure safe ship operation based on the Company's renewed commitment stated in the "MOL CHARTS," which represents MOL Group's values and code of conduct, by incorporating into the individual basic compensation specified in the preceding paragraph the achievement rate, etc. of groupwide business performance plan, the achievement rate of performance plan of director's division as an individual evaluation and the achievement rates of ship operation indicators. The Company makes payment of single fiscal year performance-based compensation in cash in June of each year.

(iv) Policy on determination of contents of performance indicators, calculation method of amount or number, and timing or conditions of granting performance-linked compensation (non-monetary compensation)
Long-term target contribution-based compensation (non-monetary compensation) as performance-linked compensation of the Company is paid to directors serving concurrently as executive officers during each fiscal year. The Company grants performance-linked stock compensation (PSU), which is a type of non-monetary compensation that is linked to medium- to long-term stock prices and business performance, at a certain proportion according to achievement rates of performance and business targets, etc. over the evaluation period, in the form of restricted shares, and pays the remainder of compensation in cash, for the purpose of incentivizing directors to sustainably enhance the Company's corporate value and to pursue greater value alignment with shareholders.
After each evaluation period, the Board of Directors determines the number of shares and the amount of cash to be granted, and grants such shares or cash. When eligible directors retire, the Company cancels the transfer restrictions on shares and grants the cash portion of the compensation. However, the Company will acquire such shares free of charge and confiscate the portion of compensation granted in cash from eligible director in case that the eligible director violates laws and regulations, internal rules or falls under some other reason, which the Board of Directors prescribes as appropriate for the Company to acquire such shares free of charge.

(v) Policy on determining the ratios of amount of basic compensation, amount of performance-linked compensation, etc. and amount of non-monetary compensation, etc. in the amount of individual remuneration of directors, etc.
With regard to the ratio of each type of remuneration in the individual remuneration of directors, the Company makes the determinations by taking into overall account their position, responsibilities, performance and achievement rates of targets, etc. and by using the policies of companies in the

same industry or companies with the same size in other industries as a reference.
On the other hand, remuneration for outside directors, whose primary role is to supervise business execution, will consist of basic compensation only, stressing the importance of that role.

(vi) Matters regarding procedures for determining contents of individual remuneration of directors, etc.
Contents of individual remuneration of directors are determined by resolution of the Board of Directors based on the deliberation and report of the Remuneration Advisory Committee in which the majority of members are outside directors and which is chaired by an outside director.

(2) Matters concerning performance-linked compensation, etc.
Performance indicators for performance-linked compensation and the reason for choosing these indicators are provided below. Specific remuneration amounts are calculated based on the standard amount for each position according to the achievement rate of groupwide business performance plan, plus compensation based on the individual evaluation of business performance of the director's division, as described in (1) (iii) above.

(i) Consolidated ordinary profit/loss
(ii) Profit (loss) attributable to owners of parent
Reason for this choice: These items have been adopted because they are performance targets set forth in the management plan.
(iii) Dividend payout ratio
Reason for this choice: This item has been used to align values with the shareholders.
(iv) Qualitative indicators: Achievement rates of specific measures for the following strategic items
- Concentrated investment of management resources in the business fields where the Company has strengths, which will mainly be offshore businesses
- Provision of stress-free services which the Company will provide from the customer's perspective
- Promotion of environment strategy and commercialization of emission-free business as the Company's core business
- Enhancement of organizational strength (project promotion not concerned about existing organizations and groupwide enhancement in productivity)

Reason for this choice: These items have been adopted as indicators because they are strategic items set forth in the management plan.
Concerning the actual results of performance indicators in the fiscal period under review, for (i) consolidated ordinary profit/loss and (ii) profit (loss) attributable to owners of parent, please see the "4. Financial Position and Results of Operations" provided on page 48. In addition, (iii) dividend payout ratio is based on the premise of 20%, which is the standard used in the Company's dividend policy. Furthermore, in (iv) qualitative indicators, overall performance in various initiatives was evaluated at a level higher than the standard.

(3) Contents of non-monetary compensation, etc.
The contents of non-monetary compensation, etc. are performance-linked stock compensation (PSU). Conditions, etc. to grant performance-linked stock compensation are as stated in "(1) (iv) Policy on determination of contents of performance indicators, calculation method of amount or number, and timing or conditions of granting performance-linked compensation (non-monetary compensation)."

(4) Matters concerning resolution at the General Meeting of Shareholders on remuneration, etc. of directors and audit & supervisory board members.
The dates of resolutions on the remunerations, etc. of the Company's officers at the General Meetings of Shareholders are as follows:
The amount of monthly remuneration of directors (24 directors) was resolved on June 28, 1990 in the amount of not more than ¥46 million in total, the amount of monthly remuneration of audit & supervisory board members (four (4) audit & supervisory board members, two (2) of whom are outside audit & supervisory board members) was resolved on June 23, 2005 in the amount of not more than ¥9 million in total, the amount of bonus of directors (11 directors, three (3) of whom are outside directors) was resolved on June 21, 2007 in the annual amount of not more than ¥300 million (of which, not more than ¥20 million for outside directors), and the performance-linked stock compensation of directors (nine (9) directors, three (3) of whom are outside directors) was resolved on June 22, 2021 in the number of not more than 375 thousand shares (after the stock split implemented on April 1, 2022) and in the amount of not more than ¥550 million with respect to each evaluation period (the period from the beginning of each fiscal year to the end of that fiscal year and the period from July 1 of each fiscal year

to the end of June of fiscal year which is three fiscal years after the said fiscal year).

(5) Remuneration on audit & supervisory board members
Remuneration on audit & supervisory board members is discussed and determined among audit & supervisory board members, within the upper limit determined at the General Meeting of Shareholders, by taking into consideration the conditions such as separation of full-time and part-time audit & supervisory board members, and status of allocation of audit work, etc. Performance-linked compensation (cash compensation and non-monetary compensation) is not granted to audit & supervisory board members.

3. Outline of Contents of Limited Liability Contract

Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into contracts with outside officers that limit their liability as set forth in Article 423, paragraph (1) of the Companies Act to the total of the amounts set forth in each of the items of Article 425, paragraph (1) of the Companies Act in the case that they perform their duties in good faith and without gross negligence.

4. Outline of Contents of Directors and Officers Liability Insurance Policy

The Company plans to enter into a directors and officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. This policy will cover any damages such as compensation of damages and litigation expenses for which the insured assumes legal liability in cases where a damage claim has been filed due to any acts engaged by the insured based on the insured’s position in the Company. The insureds in this policy are directors and audit & supervisory board members of the Company as well as any person who performs important duties of the Company such as executive officers and other important employees. The Company will bear the entire amount of insurance premiums.
In order not to undermine the appropriateness of the performance of duties of the insured, the above policy will not cover damages caused by certain actions such as any acts engaged by the insured for personal gain or benefits or any acts engaged by the insured while being aware that such acts are criminal acts or are in violation of laws and regulations.

[Translation for Reference and Convenience Purposes Only]

5. Matters Concerning Outside Officers

Major activities and significant concurrent positions outside the Company

Outside Directors

Name	Overview of Major Activities and Duties Carried Out in Relation to Expected Role	Significant Concurrent Positions Outside the Company
Hideto Fujii	Attended all eighteen (18) board meetings held in the fiscal year under review and made statements necessary for discussing proposals based on his deep insights into Japan's economic management and policy finance, from the objective viewpoint of an outside director. Furthermore, attended all six (6) Nomination Advisory Committee meetings and nine (9) Remuneration Advisory Committee meetings held in the fiscal year under review as a member of both committees, and was responsible for the supervisory function with regard to the selection of candidates for officer of the Company, remuneration for directors, etc. from an objective and neutral standpoint.	Adviser, Sumitomo Corporation Councilor, Takanashi Foundation for Historical Science
Etsuko Katsu	Attended all eighteen (18) board meetings held in the fiscal year under review and made statements necessary for discussing proposals based on her deep sights as a specialist on international finance in addition to her experience participating in university management and knowledge regarding global human resource development, from the objective viewpoint of an outside director. Furthermore, attended all six (6) Nomination Advisory Committee meetings and nine (9) Remuneration Advisory Committee meetings held in the fiscal year under review as a member of both committees, and was responsible for the supervisory function with regard to the selection of candidates for officer of the Company, remuneration for directors, etc. from an objective and neutral standpoint.	Professor, School of Political Science and Economics, Meiji University Outside Director (Audit and Supervisory Committee Member), Dentsu Group Inc. Administrative Board Member, International Association of Universities (IAU) Chairman of Fund Management Advisory Committee, The Japan Foundation
Masaru Onishi	Attended all eighteen (18) board meetings held in the fiscal year under review and made statements necessary for discussing proposals based on his practical and multifaceted perspective cultivated as a corporate manager, from the objective viewpoint of an outside director. Furthermore, attended all six (6) Nomination Advisory Committee meetings and nine (9) Remuneration Advisory Committee meetings held in the fiscal year under review as a member of both committees, and was responsible for the supervisory function with regard to the selection of candidates for officer of the Company, remuneration for directors, etc. from an objective and neutral standpoint.	Trustee, KEIZAI DOYUKAI (Japan Association of Corporate Executives) Trustee, International University of Japan Visiting Professor, Toyo University Outside Director, Teijin Limited Outside Director, Kadoya Sesame Mills Incorporated Senior Advisor, Alton Aviation Consultancy Japan Co., Ltd

Outside Audit & Supervisory Board Members

Name	Overview of Major Activities and Duties Carried Out in Relation to Expected Role	Significant Concurrent Positions Outside the Company
Hideki Yamashita	Attended all eighteen (18) board meetings, all eleven (11) audit & supervisory board members' meetings and all six (6) Nomination Advisory Committee meetings held in the fiscal year under review and made statements necessary for discussion of proposals based on his deep insights as an attorney at law, from the objective viewpoint of an outside audit & supervisory board member.	Attorney at law, YAMASHITA & TOYAMA LAW OFFICE Outside Corporate Auditor, I-cell Networks Corp.
Junko Imura	Attended all eighteen (18) board meetings, all eleven (11) audit & supervisory board members' meetings and all nine (9) Remuneration Advisory Committee meetings held in the fiscal year under review and made statements necessary for discussion of proposals based on her deep insights as a certified public accountant, from the objective viewpoint of an outside audit & supervisory board member.	Representative, Imura Accounting Office Outside Director (Audit and Supervisory Committee Member), Mitsubishi UFJ Trust and Banking Corporation Outside Audit & Supervisory Board Member, T. HASEGAWA CO., LTD. Visiting Professor, Tama Graduate School of Business Auditor, Takanashi Foundation for Historical Science

Note: No special business relationships exist between the Company and the organizations for which the outside directors and outside audit & supervisory board members hold concurrent positions.

6. Status of the Accounting Auditor

(1) Name of Accounting Auditor KPMG AZSA LLC

(2) Compensations to the Accounting Auditor

(¥ million)

	Amount of Compensations Paid
Compensations paid for the fiscal year under review	84
Total of cash and other economic benefits payable by the Company and its subsidiaries to the Accounting Auditor	243

Notes:
1. Figures less than one million yen are rounded down to the nearest million.
2. The audit agreement entered into by MOL and the Accounting Auditor does not clearly distinguish the amount being derived from the audit under the Companies Act and that which is being derived from the audit under the Financial Instruments and Exchange Act and cannot practically distinguish between the two types, therefore, the amount of compensations paid to the Accounting Auditor for the fiscal year under review is the total of these amounts.
3. The Audit & Supervisory Board of the Company has given its consent to the compensations to the Accounting Auditor for the fiscal year under review as stipulated in Article 399, paragraph (1) of the Companies Act, after the Board reviewed the descriptions in the audit plan, the Accounting Auditor's performance of its duties, the basis for calculating the estimated compensation, audit hours, and historical changes of compensations and other factors, and concluded that the compensations to the Accounting Auditor for the fiscal year under review are appropriate in view of efficiency of the audit and quality of audit delivered.

(3) Contents of Non-audit Services

The Company has entrusted to the Accounting Auditor with services such as "financial and tax due diligence," which are services other than ones stipulated in Article 2, paragraph (1) of the Certified Public Accountants Act (non-audit services).

(4) Company Policy for Decisions on Dismissal or Non-reappointment of Accounting Auditor

In case the Accounting Auditor is considered to be within the circumstances stipulated in any of items of Article 340, paragraph (1) of the Companies Act, the Audit & Supervisory Board shall dismiss the Accounting Auditor by consent of all audit & supervisory board members.

In addition to the above, in the case when there is any event that undermines eligibility or credibility as the Accounting Auditor, when it is considered difficult for the Accounting Auditor to properly perform an accounting audit, when it is considered reasonable to change the Accounting Auditor in order to improve the appropriateness of the accounting audit, or when the Company concludes that it is appropriate to dismiss or not to reappoint the Accounting Auditor in comprehensive consideration of the Accounting Auditor's performance of its duties and other various factors, the Audit & Supervisory Board decides details of an agenda concerning dismissal or non-reappointment of the Accounting Auditor and requests the Board of Directors to include that agenda in the agenda of the General Meeting of Shareholders.

The Board of Directors, upon request from the Audit & Supervisory Board, decides to include the said agenda in the agenda of the General Meeting of Shareholders.

7. System to Ensure Appropriateness of Operations

(1) Outline of the system to ensure the appropriateness of operations

The Company has built and implemented the "System to Ensure the Appropriateness of Operations (Internal Control System)" as described below, in order to ensure the soundness and efficiency of management and the appropriateness and reliability of financial reporting. Improvements will be made on this policy on a continuous basis going forward.

i) System to Ensure that the Execution of Duties by the Directors, Executive Officers and Employees of the Group Consisting of the Company and Its Subsidiaries (hereinafter referred to as the "MOL Group" or the "Group") Complies with Laws and Regulations and the Articles of Incorporation

<Compliance>

(a) The MOL Group has set "keep compliance as a top priority, and ensure that actions comply with social norms and the highest ethical standards" as one of its values and code of conduct (MOL CHARTS), in addition to complying with laws, regulations and the Articles of Incorporation. The Company prescribes the Compliance Policy as the basis for enhancing the compliance system and has established the Compliance Committee, chaired by a Chief Compliance Officer (CCO) as appointed by the Board of Directors, in order to develop and maintain the compliance system through regular monitoring.

(b) The Company sets the code of conduct in Article 5 of the Compliance Policy as the code of conduct for the directors, officers and employees and strives to comply with these rules. In particular, the Company fully enforces, among others, the following: Observing the competition laws of countries, standing firm against antisocial forces, prohibiting insider trading, prohibiting the offer and acceptance of bribes, protecting confidential information such as customer and company information, and prohibiting discrimination and harassment.

(c) The Company takes measures to prevent the violation of compliance and to improve compliance by providing all the directors, officers and employees with training by job rank, training by category and e-learning on a range of laws, rules, and regulations including the Antimonopoly Act, the Financial Instruments and Exchange Act and the Unfair Competition Prevention Act as well as the Company's internal rules and regulations, and ensures that its directors, officers and employees deepen and enhance their compliance awareness.

(d) The Company maintains and operates the reporting and consultation systems by establishing an internal helpdesk and the Compliance Advisory Service Desk with service provided by outside lawyers for reporting and consulting on the violation of compliance, based on the Compliance Policy. The Company keeps reports and consultations on breaches of compliance by the directors, officers and employees of the Group strictly confidential and guarantees that those who have made the reports and undertaken the consultations will not be treated unfavorably by making such reports and by undertaking consultations.

<Corporate governance>

(e) The Company strives actively and continually to bolster its corporate governance system to achieve the MOL Group Vision and maximize its corporate value over the mid and long term through promotion of management plan and initiatives addressing MOL's Sustainability Issues, based on the Group's Corporate Mission, by taking measures that include: 1) appointing two or more independent outside directors; 2) establishing the Nomination Advisory Committee and Remuneration Advisory Committee as advisory bodies to the Board of Directors, which are optional organizations in which the majority of members are independent outside directors; and 3) establishing its own criteria for judging independence in addition to the requirements for independent officers stipulated by the Tokyo Stock Exchange.

(f) The Company has adopted an institutional design to realize the legality, appropriateness and effectiveness of business execution by securing an auditing function through the Audit & Supervisory Board, which is independent from the Board of Directors and by not only securing mutual supervision and check mechanism between inside directors (concurrently serving as executive officers) who execute business, but also having the Board of Directors which is composed of inside directors, who are also responsible for business execution, and outside directors, who play a specialized supervisory role, thereby ensuring effective supervision of the Board of Directors.

(g) The Board of Directors will make efforts to create an environment that enables audit & supervisory board members to audit the execution of duties by the directors, executive officers and employees according to the audit policies specified by the Rules of the Audit &

Supervisory Board and the standards of the audit & supervisory board members' audit and fulfill their missions as provided for by other laws and regulations.

(h) The Company establishes the Corporate Audit Division, which is independent from any other positions, as an internal audit unit that receives directions from the President.

(i) The Company has established the Corporate Governance Council, which examines the status and direction of corporate governance across the entire Group as well as the effectiveness of the Board of Directors, by incorporating the perspectives from the independent outside directors and the independent outside audit & supervisory board members, in order to ensure the objectivity and transparency of management.

ii) System to Ensure Objectivity and Transparency of Personnel Affairs of Directors and Executive Officers and Decision-Making Process for Their Remuneration

(a) The Company has established the Nomination Advisory Committee and Remuneration Advisory Committee, whose majority of members consist of independent outside directors, under the Board of Directors for the purpose of strengthening its accountability by increasing the objectivity and transparency of the procedures for the nomination and remuneration, etc. of directors and executive officers.

(b) The Nomination Advisory Committee and Remuneration Advisory Committee consist of Chairman, President and all independent outside directors. The chairmen of the Committees are selected from the independent outside directors by a resolution of the Board of Directors. In addition, the independent outside audit & supervisory board members may attend meetings of both committees and provide their opinions.

(c) The Nomination Advisory Committee will deliberate on matters such as matters concerning appointment and dismissal of directors and executive officers in response to request for advice from the Board of Directors and will submit a report to the Board of Directors.

(d) The Remuneration Advisory Committee will deliberate on matters such as matters concerning the remuneration and treatment of directors and executive officers in response to request for advice from the Board of Directors and will submit a report to the Board of Directors.

(e) The Board of Directors will respect the reports submitted by Nomination Advisory Committee and Remuneration Advisory Committee.

iii) System Concerning the Preservation and Management of Information on Execution of Duties by Directors and Executive Officers

(a) Information on the execution of duties by directors and executive officers will be appropriately preserved and managed for a prescribed period of time in writing or in the form of electronic information based on various laws and regulations as well as the Rules of Document Management and the Rules of Electronic Information Security.

(b) Directors and audit & supervisory board members may access these documents in writing or in the form of electronic information when necessary.

iv) Rules and Other Systems Concerning Management of Risk that May Cause Losses to the Group

(a) In marine transport, which is MOL Group's principal business, and in social infrastructure business, which is promoted to realize the MOL Group Vision, the Group will identify, analyze and evaluate the major risks of loss ("risks" in this section), which could adversely affect the Group's business activities and performance, share price, and financial position, etc., in the event of occurrence of unexpected events including economic conditions in countries around the world, terrorism, war, other political and social factors, natural phenomena and disasters, and social disorder caused by pandemics, strikes and other factors, through the Investment and Finance Committee and the Operational Safety Committee, which are under the Executive Committee, and will incorporate the results of such identification, analysis and evaluation into the decision-making of the Board of Directors and the Executive Committee.

(b) The value fluctuation risk for the assets of the Company and the Group companies is statistically analyzed and quantitatively analyzed results ("asset risk control" in this section) are reported to the Board of Directors regularly. After assessing and analyzing the issues such as whether the asset risk control provided in the reports is within the limit of the Company's consolidated shareholders' equity, the Board of Directors and other decision-making bodies will make investment decisions and implement risk control for all businesses of the MOL Group.

(c) In the event of maritime accident, including major maritime accident, a disaster such as earthquake, pandemic or terrorism, or a major ICT incident, the Company will establish headquarters as an organization for early recovery and resumption of operations including business continuity, pursuant to the “Rules of Emergency Control Headquarters for Serious Marine Accidents,” the “Rules of Emergency Control Headquarters for Overseas Security Management,” the “Rules of Emergency Control Headquarters for Disaster and Pandemic,” and the “Rules of Emergency Control Headquarters for Critical ICT Incident” respectively, and will take appropriate measures. The Company will deal with events that do not fall under the above-mentioned serious accidents, disasters and crises in accordance with various internal manuals. In addition, in the event of accident, event or situation that may have a significant impact on the business activities of the Company or the Group as a whole (“crisis” in this section), which goes beyond the framework of individual emergency control headquarters, the Company will establish a Crisis Control Headquarters headed by the President pursuant to the Rules for Crisis Control Headquarters as an organization to implement united Group crisis countermeasures while taking the social impact into consideration, responding appropriately and promptly to ensure business continuity and maintain corporate value.

v) System to Ensure Efficient Execution of Duties by Directors and Executive Officers of the Group

(a) The Board of Directors will hold meetings about 10 times a year at appropriate intervals and as required. Important matters to be submitted to the Board of Directors will, in principle, be prescribed by the Rules of the Board of Directors and deliberated in advance by the Executive Committee. Furthermore, in order to respond to changes in the business environment and to enhance the efficiency of the Board of Directors, the Company will strive to improve the management structure of the Board of Directors through discussions at the Nomination and Remuneration Advisory Committees and the Corporate Governance Council.

(b) The Board of Directors will establish the Executive Committee, which will deliberate in order for the President/Chief Executive Officer to decide on important matters related to basic management plans and the execution of business, in accordance with the highest policy decided by the Board of Directors. The Executive Committee consists of members nominated by the President/Chief Executive Officer and approved by the Board of Directors and will hold meetings once a week in principle and as required based on the Rules of the Executive Committee. The Executive Committee will also establish a committee as a subordinate body as required to undertake consultations on necessary matters.

(c) Executive officers will be appointed by the Board of Directors and will execute business in accordance with the highest policy on overall company management decided by the Board of Directors based on the organizational division of duties and the official authority of the job position prescribed in the Rules of Organization, upon being delegated with such authority from representative directors pursuant to the Rules of Executive Officer.

(d) In order to ensure the efficient execution of duties by the Group’s directors and executive officers, the Company will establish various regulations on resolutions and decisions, compliance, organizational management, and administrative responsibility and authority, and will recommend the application of these regulations at subsidiaries through the Company’s General Managers in Charge. In addition, the Company’s Board of Directors and Executive Committee will supervise the execution of duties by the Group’s directors and executive officers, and the Group Executive Meeting, which meets about twice a year, will discuss and share information on the Group’s management policies and the management status of its subsidiaries.

vi) System to Ensure the Reliability of Financial Reporting

(a) In order to ensure proper accounting and increase the reliability of financial reporting, the Company will establish the Rules of Accounting and will strive to improve the system of internal control over financial reporting and to increase its effectiveness.

(b) The Corporate Audit Division will evaluate the effectiveness of internal control over financial reporting. Divisions that have undergone evaluation will take measures if any correction or improvement is necessary.

vii) System for Reporting on the Execution of Duties by Directors, etc. of the Group’s Subsidiaries and Other Systems for Ensuring the Appropriateness of Business Operations

(a) In order to ensure the appropriateness of operations within the Group companies, the Company will establish the Group’s values and code of conduct (MOL CHARTS) which will apply to all Group companies, and in accordance with the regulations that the Company will establish based on these values and code of conduct, each Group company will establish various regulations, including regulations on the management of their subsidiaries.

(b) A division or unit in charge of management will be assigned according to the business contents of each company to manage the status of business operations within each company based on the management plan and the annual budget of the entire Group and to assume responsibility for internal control. As General Managers in Charge, the general manager of the division or unit in charge will receive the necessary reports in a timely manner from the directors, etc. of the Group companies in accordance with the Rules of Group Company Management in order to properly understand their financial conditions and business risks, and will also require the Group companies to agree on matters, for which the Company's prior approval or reporting to the Company is necessary, and to implement important management matters. In principle, the general manager of the division or unit in charge will dispatch directors and auditors to the Group companies, will allocate the necessary management resources in a timely and appropriate manner so that the directors and auditors of the Group companies can execute their duties efficiently, and will ensure the appropriateness of business operations. Furthermore, for certain overseas Group companies, the regional representatives for Americas, Europe and Africa, East Asia, Southeast Asia and Oceania, and South Asia and Middle East areas will perform this role in place of the general manager of the division or unit in charge.

(c) For Group companies classified as a part of the Company organization, in accordance with the Rules of Organization, Director General of Headquarters, Executive officer in charge of the division or unit will be established as the person responsible for business management ("person responsible for management" in this section), and the person responsible for management will be directly responsible for business management and internal control, without establishing division or unit in charge of business management. In addition, the Executive Officer of the Company in charge of the Group Company will be appointed as the chief operating officer (President) of the Group Company. Furthermore, a division or unit in charge of administration will be established as an organization to provide practical support to the person responsible for management, and it will be responsible for performing administration for the relevant Group company from an objective standpoint, under the direction of the person responsible for management.

(d) In order to ensure compliance within Group companies, the Group companies will establish various internal rules and regulations in accordance with the Compliance Policy, including the code of conduct of the Company. The Compliance Advisory Service Desk of the Company will strive to fully enforce compliance throughout the entire Group by also undertaking consultations sought by the directors, officers and employees of the Group companies. The Company will require the Group companies to keep reports and consultations on breaches of compliance made by the directors, officers and employees of the Group from the Group companies strictly confidential and to guarantee that those who have made the reports and undertaken the consultations will not be treated unfavorably by making such reports and undertaking such consultations.

(e) With respect to the audits of the Group companies, each company will build an internal control system appropriately, and the Corporate Audit Division of the Company will conduct internal audits of the Group companies in Japan and overseas periodically and when necessary based on the Rules of Internal Audit.

viii) Matters Concerning Dedicated Staff Members to Assist in the Audit & Supervisory Board Members' Duties ("Assistant" in this section) and Assistants' Independence and Matters Concerning Ensuring the Effectiveness of the Instructions of the Audit & Supervisory Board Members to Assistants

(a) In order to assist in the audit & supervisory board members' duties, an assistant to audit & supervisory board members will be appointed from the Company's employees.

(b) Personnel evaluation on the assistant to audit & supervisory board members will be conducted by the audit & supervisory board members, and the personnel change of the assistant to audit & supervisory board members will be decided upon obtaining approval of the Audit & Supervisory Board.

(c) An assistant to audit & supervisory board members generally may not concurrently be in a position involved in execution of business.

(d) The audit & supervisory board members will consider the matters necessary to ensure the independence of the Assistants and the effectiveness of their instructions to the Assistant, including the clarification of the following matters:
1) The authority of the Assistants (including, among other things, the authority to investigate and collect information, as well as the authority to attend meetings at the direction of the audit & supervisory board members as necessary);
2) The authority of audit & supervisory board members to give directions and orders to Assistants;
3) Securing the expenses related to the activities of Assistants; and
4) The system for the Corporate Audit Division and other departments to cooperate with Assistants.

ix) System Concerning Reports from Directors, Executive Officers and Employees of the Group to Audit & Supervisory Board Members of the Company, Other Systems Concerning Reports to Audit & Supervisory Board Members, and System to Ensure that Audits Are Effectively Conducted by the Audit & Supervisory Board Members

(a) The Company will establish rules on matters that directors, executive officers and employees should report to the audit & supervisory board members, and directors, executive officers and employees will report important matters that could have an impact on the Company's business or business performance to the audit & supervisory board members based on the rules. Directors, audit & supervisory board members, executive officers and employees of Group companies may report important matters that could have an impact on the business or business performance of the Company and the Group to the audit & supervisory board members of the Company.
(b) A system for reporting the violation of laws or regulations and other compliance issues appropriately to the audit & supervisory board members will be ensured by maintaining the appropriate operation of the reporting and consultation systems based on the Compliance Policy. With regard to reports and consultations on breaches of compliance by the directors, officers and employees of the Group to the audit & supervisory board members, information will be kept strictly confidential, and will be guaranteed that those who have made the reports and undertaken the consultations will not be treated unfavorably by making such reports and undertaking such consultations.
(c) Representative directors will make efforts to have meetings periodically with the audit & supervisory board members.
(d) The Corporate Audit Division will cooperate with the audit & supervisory board members in conducting audits effectively by communicating and coordinating with the audit & supervisory board members.
(e) When an audit & supervisory board member makes requests such as request for advance payment of expenses for the duties they will perform pursuant to Article 388 of the Companies Act, the expenses or debt will be paid except in cases where it is determined that the expenses or debt relating to the request were not necessary.

(2) Overview of Operation Status of the System to Ensure Appropriateness of Operations

The Company is appropriately managing the system to ensure the appropriateness of operations of the Company as described above. There are no issues to report.
The following is an overview of the operation status of the system to ensure the appropriateness of operations.

i) Compliance

(a) The Company has internal rules and regulations including the code of conduct to be observed by directors, officers and employees of the MOL Group companies, the Compliance Policy, and other policies in line with laws and regulations, such as the Rules of Conduct Related to Antitrust Laws, Anti-Corruption Policy, Rules of Insider Trading Prevention and Rules of Personal Information Management. The Company also holds internal training, seminars, e-learning training and other learning activities for directors, officers and employees of domestic and international MOL Group companies in order to provide a better understanding of such rules and regulations and to ensure and enhance their awareness on compliance.
(b) The Company clarifies the personnel accountable for compliance by appointing Compliance Officers, who are responsible for enforcing compliance regulations within divisions and branch offices, and the Chief Compliance Officer, who is accountable for developing and

strengthening the compliance system as well as supervising Compliance Officers. The Compliance Committee, which the Company has established as a subordinate organization of the Executive Committee, holds quarterly meetings, and fulfills its role by enhancing and thoroughly implementing the compliance system across the Group and by deciding on measures against compliance violations among other things. The Board of Directors and the Executive Committee receive semi-annual reports on compliance activities and have discussions to ensure and improve compliance.

(c) Upon discovering behavior suspected of violating compliance, directors, officers and employees are expected to report to and consult with the compliance officer of their division or branch office or the Compliance Committee secretariat. However, for cases where such reporting and consultation are difficult, the Company has established an independent internal Compliance Advisory Service Desk and external Compliance Advisory Service Desk, which investigate reported and consulted matters under strict confidence and immediately take the necessary rectification measures if violations are recognized. In addition, the Company designates one month out of each year as "Compliance Strengthening Month," during which it makes efforts to collect a wide range of information regarding compliance from directors, officers and employees.

ii) Corporate Governance

(a) The Board of Directors, as the Company's central decision-making body, deliberates and decides on basic policy and the most important matters relating to MOL Group management, and supervises business operations among other things. The Board of Directors held 18 meetings during FY2021.

(b) In order to make the supervision of executive directors by independent outside directors further effective, the Company has established the Nomination Advisory Committee and the Remuneration Advisory Committee, which are comprised of Chairman, President and all independent outside directors and in which independent outside directors form a majority of the members. These Committees discuss matters such as matters related to the selection and dismissal of directors and executive officers, the successor development plan for the President and CEO, and the remuneration and treatment, and report them to the Board of Directors. In FY2021, the Nomination Advisory Committee held 6 meetings and the Remuneration Advisory Committee held 9 meetings.

(c) The Company has established the Corporate Governance Council under the Board of Directors, which is comprised of inside directors, including Chairman and President, all independent outside directors, inside audit & supervisory board members and all independent outside audit & supervisory board members. The Council deliberates overall issues related to enhancing and strengthening the corporate governance structure and provides advice and reports to the Board of Directors. The Corporate Governance Council held 4 meetings during FY2021.

(d) In order to enable the Board of Directors to focus on critical matters, the important items in basic business plans and execution of business operations based on the decision of the Board of Directors are deliberated and decided by the Executive Committee, which generally meets on a weekly basis. The Company makes efforts to streamline and accelerate the execution of management by having executive officers, who are appointed by the Board of Directors and who are delegated with authority from representative director, execute operations based on the policies decided by the Executive Committee.

(e) The status of businesses of the Company and Group companies is regularly reported at important internal meetings including meetings of the Board of Directors and the Executive Committee, and timely instructions are provided to relevant divisions if any issues or problems requiring rectification occur.

iii) Risk Management
(Management of Risk that May Cause Losses)

(a) The Company has established a division in charge for each type of risk and takes risk mitigation measures, including identifying risk amounts, reducing risk exposure through hedges, and transferring risk through insurance and other means, in accordance with prescribed rules and regulations. The situation of risk management is periodically reported by each division in charge to the Executive Committee, where the information is centrally managed and necessary decisions and responses are made. In addition, for new investment decisions, the decision-making process starts after risks are identified by the internal examination department and evaluated as needed by the division in charge of risk management. Depending on the importance of the project, the Investment and Finance Committee discusses the matter prior to deliberations by the Executive Committee to dive deeper into the risk and sort out key points of discussion. Matters of utmost importance are put on the agenda of the Board of Directors' meeting after careful discussion at the Executive Committee. Risk management is emphasized in making decisions, such as making it a rule to discuss the matter based on a summary sheet of potential risks.

(b) In addition, the Company has introduced its own risk management approach called "asset risk control." Asset risk control is a marine transport industry adaptation of the risk management methods widely used by financial institutions, under which considerable stressful scenarios (market with low freight rates/weak vessel sales & purchase market) are applied to all fleets at the same time, maximum potential losses (risk amounts) in case such scenarios run for a certain length of time are calculated and the risks are managed so that the total potential losses will not become excessive as compared to shareholders' equity. Groupwide risk exposure is calculated once every six months, and the results are compared with shareholders' equity, reported to the Board of Directors, and audited.

(c) As a company that operates roughly 800 vessels of various types and offshore plants which are centered around marine transport and that provides social infrastructure, some of the most serious risks 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). In order to prevent accidents from occurring, the Company takes various measures from intangible and tangible aspects, such as training and supervising crew members and maintenance of hull specification which effectively ensures safety, in close coordination with the Company's Headquarters of Safety Operations and sales divisions, shipowners (for chartered vessels), and ship management companies, regardless of whether a vessel is owned or chartered. The Company also makes a variety of preparations to counter the dangers of piracy and terrorism such as providing sufficient training, setting precise operational rules, providing support from land, and installing necessary equipment.
In light of the oil spill that resulted after the WAKASHIO, a Capesize bulker chartered from a subsidiary of Nagashiki Shipping Co., Ltd., ran aground off Mauritius in July 2020, the Company reviewed the support system, not only from the perspective of vessels on site, but also from the perspective of the Company on land, and reviewed the management system of the vessel owners and vessel management companies. In addition, in preparation for accident, event or situation such as WAKASHIO oil spill that may have a significant impact on the business activities of the Company or the Group as a whole (crisis) which goes beyond the framework of the existing Emergency Control Headquarters for Serious Marine Accidents, the Company established the "Rules for Crisis Control Headquarters" and newly established the Crisis Control Headquarters headed by the President as an organization to implement crisis countermeasures by uniting the Group as one while taking the social impact into consideration, in order to strive for business continuity and maintenance of corporate value.

(d) Climate change such as global warming can present a danger to safe ship operations by causing more severe weather and sea events. The movement toward decarbonization to combat climate change also has the potential to drastically change the business environment for the Company, which requires large volumes of bunker oil and transports various kinds of fossil energy as a main cargo, in the form of higher costs to comply with public regulations, etc. and structural reduction in transport demands among other things. The Company sets a goal in "MOL Group Environmental Vision 2.1," in which the Company aims to achieve net zero GHG emissions by 2050 and which is in tune with these trends, has formulated and announced a road map for achieving this goal, and is in the process of introducing clean alternative fuels and energy-saving technologies and enhancing efficient fleet operations among other things. Furthermore, by developing and providing alternative fuel transportation and solutions for low-carbon or decarbonization, the Company will boost new demands from the trend of decarbonization and make this trend a business opportunity. The Company will visualize the overall picture of its climate change risks and formulate policies to deal with them by using the TCFD framework.

(e) In order to maintain the operation of vessels and fulfill its social role in supporting the supply chain even at the time of occurrence of major earthquake or other disaster, the Company has established a BCP manual, has satellite offices and backup systems in place, and provides sufficient training. The Company has also established a work system that enables all the directors, officers and employees of the Company's head office to work remotely through the use of cloud-based tools by distributing laptop computers to them. In response to the COVID-19 pandemic, which broke out at the beginning of 2020 and is yet to end, the Company readily established Emergency Control Headquarters headed by the Vice President in February of that year and promptly implemented the full transition to work from home and the consideration of necessary countermeasures upon grasping the impact on the operating vessels in order "to ensure the safety of stakeholders and prevent the spread of infection" and "to fulfill the mission to provide social infrastructure."

(f) The Company has initiated discussions on risk mapping analysis on customer credit risk and country risk, including what is going on in the world, and is working to understand the degree of impact from them. In addition, the "asset risk control" described above is currently being developed into a mechanism that can more appropriately measure risk amounts, including country risk, customer credit risk and Group company business risk. With regard to the current situation involving Russia and Ukraine, the Company will comply with the sanctions against the Russian Federation in cooperation with the international community, while responding appropriately to the situation in accordance with the policy of the Japanese government by continuing to have discussions with various parties including business partners. To this end, the Company is making efforts to be ready to promptly respond to changing situations by establishing a companywide taskforce led by the President and by collecting and analyzing information on a daily basis.

(g) The Company checks appropriate operation of its internal control systems by evaluating the effectiveness of its internal control pursuant to the provisions stipulated in the Financial Instruments and Exchange Act, in order to ensure the reliability of its financial reports.

iv) Management of MOL Group companies

(Ensuring appropriate execution of business operations of the corporate group)

(a) The Company strives to appropriately manage the domestic and international MOL Group companies by maintaining regulations including the Rules of Group Company Management and Group Company Management Practical Guidelines. The Company also strives to improve the corporate value of the entire MOL group by, among other things, addressing any important business items of MOL Group companies as matters to be approved by the Company, receiving reports from MOL Group companies on the progress of their plans, etc., and providing guidance and advice as appropriate. Furthermore, the Company holds a Group Executive Meeting twice a year which is attended by President, management members of the Company, and representatives of MOL Group companies. In these meetings, the participants share and confirm management goals and make efforts to ensure compliance.

(b) MOL Group companies develop and operate their own compliance systems as independent entities in line with MOL's Compliance Policy which conform to their size and area of business. In the event that MOL Group companies have any incidents regarded as compliance violations, the companies will swiftly take actions and recurrence prevention measures in accordance with their own internal rules and regulations, and the Company will also take necessary actions such as reporting to the Compliance Committee and improving internal control of the MOL Group.

v) Audit & Supervisory Board Members

(a) The Company has set out rules for ensuring the effectiveness of audits by audit & supervisory board members and maintains a standard for ensuring the effectiveness of audits by audit & supervisory board members, such as items to be reported to the audit & supervisory board members by directors, officers and employees.

(b) In order to ensure the execution of audits of deliberations and decision-making processes, the Company ensures opportunities for full-time audit & supervisory board members to attend meetings of the Executive Committee, Investment and Finance Committee and other committees, in addition to meetings of the Board of Directors. Opportunities have been ensured for one outside audit & supervisory board member to attend the meetings of the Nomination Advisory Committee and the Remuneration Advisory Committee. In addition, opportunities are ensured for audit & supervisory board members to hold regular interviews with directors, executive officers and employees, to inspect Group companies, to coordinate with the Corporate Audit Division and the Accounting Auditor, and to exchange information with audit & supervisory board members of the Group companies among other things. Through these activities, they share a common understanding of management issues and risks and audit the development and operation status, etc., of the internal control system, and facilitate assurance of appropriate business operations.

c) The Company appoints an Audit & Supervisory Board Manager to support the duties of the Audit & Supervisory Board and audit & supervisory board members and assigns the dedicated staff member to provide support.

vi) Internal Audits

The Corporate Audit Division, which is an internal audit department, draws up an audit plan at the beginning of every fiscal year and conducts audits of the Company's divisions and domestic and international MOL Group companies based on the audit plan. The Corporate Audit Division proposes improvement measures to the relevant divisions on issues identified from the audit results and reports to the President each time. In addition, the Corporate Audit Division periodically reports the internal audit plan and the status of its implementation to the Board of Directors, and ensures that cooperation is maintained with the Audit & Supervisory Board through regular meetings, etc.

[Translation for Reference and Convenience Purposes Only]

Consolidated Financial Statements

Consolidated Balance Sheets

(¥ million)

	As of March 31, 2022	As of March 31, 2021
	Amount	Amount
(Assets)		
Current assets	**351,452**	**327,000**
Cash and deposits	99,878	86,238
Trade receivables	109,891	86,828
Contract assets	15,601	–
Marketable securities	1,000	500
Inventories	46,085	29,615
Deferred and prepaid expenses	21,545	49,866
Other current assets	58,748	74,505
Allowance for doubtful accounts	(1,298)	(553)
Fixed assets	**2,335,249**	**1,768,559**
Tangible fixed assets	**1,111,152**	**1,099,458**
Vessels	632,105	625,896
Buildings and structures	127,954	145,171
Equipment and others	25,290	26,861
Furniture and fixtures	5,529	5,477
Land	254,594	252,794
Construction in progress	59,988	40,704
Other tangible fixed assets	5,688	2,551
Intangible fixed assets	**36,624**	**31,364**
Investments and other assets	**1,187,472**	**637,736**
Investment securities	978,848	459,357
Long-term loans receivable	110,104	83,258
Long-term prepaid expenses	8,562	9,926
Net defined benefit assets	18,957	24,172
Deferred tax assets	1,217	2,369
Other investments and other assets	93,343	79,184
Allowance for doubtful accounts	(23,562)	(20,533)
Total Assets	**2,686,701**	**2,095,559**

[Translation for Reference and Convenience Purposes Only]

(¥ million)

	As of March 31, 2022	As of March 31, 2021
	Amount	Amount
(Liabilities)		
Current liabilities	**414,002**	**417,574**
Trade payables	96,034	73,019
Short-term bonds	23,700	17,800
Short-term bank loans	192,170	166,879
Commercial papers	8,000	40,000
Accrued income taxes	8,624	4,119
Advances received	2,188	31,762
Contract liabilities	23,125	–
Provision for bonuses	9,433	4,962
Provision for directors' bonuses	660	211
Provision for share-based payments	184	–
Provision for loss on contracts	11,036	13,709
Provision for loss related to business restructuring	–	12,173
Provision for loss on sale of fixed assets	1,431	6,217
Other current liabilities	37,414	46,718
Fixed liabilities	**937,832**	**978,834**
Bonds	189,500	163,200
Long-term bank loans	575,101	623,006
Lease obligations	10,803	14,059
Deferred tax liabilities	74,516	65,172
Net defined benefit liabilities	9,355	9,245
Provision for share-based payments	354	–
Provision for directors' and audit & supervisory board members' retirement benefits	1,485	1,645
Provision for periodic drydocking	15,836	15,219
Provision for loss on contracts	11,057	21,229
Other fixed liabilities	49,822	66,056
Total Liabilities	**1,351,835**	**1,396,409**
(Net Assets)		
Shareholders' equity	**1,177,474**	**539,825**
Common stock	65,400	65,400
Capital surplus	23,090	45,351
Retained earnings	1,091,250	435,589
Treasury stock	(2,267)	(6,515)
Accumulated other comprehensive income	**97,095**	**37,956**
Unrealized holding gains on available-for-sale securities, net of tax	34,010	29,917
Unrealized gains on hedging derivatives, net of tax	27,161	5,150
Foreign currency translation adjustments	29,232	(4,653)
Remeasurements of defined benefit plans, net of tax	6,691	7,541
Share acquisition rights	**781**	**1,347**
Non-controlling interests	**59,514**	**120,020**
Total Net Assets	**1,334,866**	**699,150**
Total Liabilities and Net Assets	**2,686,701**	**2,095,559**

[Translation for Reference and Convenience Purposes Only]

Consolidated Statements of Income

(¥ million)

	FY2021 (From April 1, 2021 to March 31, 2022) Amount	FY2020 (From April 1, 2020 to March 31, 2021) Amount
Shipping and other revenues	**1,269,310**	**991,426**
Shipping and other expenses	1,117,405	911,055
Gross operating income	**151,905**	**80,370**
Selling, general and administrative expenses	96,899	85,674
Operating profit (loss)	**55,005**	**(5,303)**
Non-operating income		
Interest income	6,940	6,036
Dividend income	8,239	6,795
Equity in earnings of affiliated companies	657,375	132,912
Foreign exchange gains	7,080	12,412
Others	3,581	3,239
Total non-operating income	**683,217**	**161,397**
Non-operating expenses		
Interest expenses	11,392	12,518
Others	5,051	9,971
Total non-operating expenses	**16,443**	**22,489**
Ordinary profit	**721,779**	**133,604**
Extraordinary income		
Gain on sales of fixed assets	13,414	10,758
Others	10,377	6,138
Total extraordinary income	**23,791**	**16,897**
Extraordinary losses		
Loss on sale of fixed assets	649	5,501
Provision of allowance for loss on sale of fixed assets	1,431	6,217
Loss related to business restructuring	2,299	18,480
Loss on building reconstruction	1,389	114
Others	6,808	19,873
Total extraordinary losses	**12,577**	**50,187**
Income before income taxes and non-controlling interests	**732,993**	**100,313**
Income taxes - current	**12,846**	**6,810**
Income taxes - deferred	**5,993**	**303**
Net income	**714,154**	**93,199**
Profit attributable to non-controlling interests	**5,335**	**3,147**
Profit attributable to owners of parent	**708,819**	**90,052**

[Translation for Reference and Convenience Purposes Only]

Consolidated Statement of Changes in Net Assets

FY2021 (April 1, 2021 – March 31, 2022)

(¥ million)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2021	65,400	45,351	435,589	(6,515)	539,825
Cumulative effects of changes in accounting policies			349		349
Restated balance	65,400	45,351	435,939	(6,515)	540,175
Changes during period					
Exercise of share acquisition rights				657	657
Dividends of surplus			(52,137)		(52,137)
Profit attributable to owners of parent			708,819		708,819
Change of scope of consolidation			(3)		(3)
Purchase of treasury stock				(97)	(97)
Disposal of treasury stock			(1,366)	3,687	2,321
Purchase of shares of consolidated subsidiaries		(22,260)			(22,260)
Net changes of items other than shareholders' equity					–
Total changes of items during period	–	(22,260)	655,311	4,247	637,298
Balance at March 31, 2022	65,400	23,090	1,091,250	(2,267)	1,177,474

[Translation for Reference and Convenience Purposes Only]

(¥ million)

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Unrealized holding gains on available-for-sale securities, net of tax	Unrealized gains on hedging derivatives, net of tax	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans, net of tax	Total accumulated other comprehensive income			
Balance at April 1, 2021	29,917	5,150	(4,653)	7,541	37,956	1,347	120,020	699,150
Cumulative effects of changes in accounting policies								349
Restated balance	29,917	5,150	(4,653)	7,541	37,956	1,347	120,020	699,500
Changes during period								
Exercise of share acquisition rights						(657)		–
Dividends of surplus								(52,137)
Profit attributable to owners of parent								708,819
Change of scope of consolidation								(3)
Purchase of treasury stock								(97)
Disposal of treasury stock								2,321
Purchase of shares of consolidated subsidiaries								(22,260)
Net changes of items other than shareholders' equity	4,092	22,011	33,885	(850)	59,139	91	(60,505)	(1,274)
Total changes of items during period	4,092	22,011	33,885	(850)	59,139	(566)	(60,505)	635,366
Balance at March 31, 2022	34,010	27,161	29,232	6,691	97,095	781	59,514	1,334,866

[Translation for Reference and Convenience Purposes Only]

Notes to Consolidated Financial Statements

Significant Matters for Basis of Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 373

(2) Names of principal consolidated subsidiaries are as stated in "1. Matters Concerning the Present State of the Corporate Group, (12) Principal Subsidiaries."

(3) Name of principal non-consolidated subsidiary: Asia Cargo Service Co., Ltd.

(4) Reason for exclusion from the scope of consolidation

Total assets, total operating revenues, net income (based on the Group's equity interest) and retained earnings (based on the Group's equity interest) of non-consolidated subsidiaries are not significant respectively, and do not have a material impact on the consolidated statutory reports.

(5) Names of other companies, etc. that are not accounted for as a subsidiary even though the Company holds the majority of voting rights of said company, etc. on its own account

Sealoading Holding AS

(Reason for not being accounted for as a subsidiary)

Although the Company holds the majority of voting rights of Sealoading Holding AS on its own account, pursuant to a shareholder agreement that the Company has entered into with another shareholder, resolutions on important matters require the approval of both companies, and considering the business relationship of both companies, the Company does not have control of the decision-making organ of Sealoading Holding AS. Thus this company is considered as an equity method affiliate and not as a subsidiary.

2. Application of equity method accounting

(1) Number of equity method affiliates

Non-consolidated subsidiaries:	2
Affiliates:	125

(2) Names of principal equity method affiliates are as stated in "1. Matters Concerning the Present State of the Corporate Group, (13) Principal Equity Method Affiliates."

(3) Name of principal non-consolidated subsidiary that is not accounted under the equity method:
Asia Cargo Service Co., Ltd.

(4) Name of principal affiliate that is not accounted under the equity method:
Sorami Container Center Co., Ltd.

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

Net income and retained earnings (based on the Group's equity interest) of non-consolidated subsidiaries and affiliates that are not accounted under the equity method are not significant.

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

(1) Scope of consolidation

19 companies have been newly included in the scope of consolidation from this fiscal year due to new establishment, the increase in materiality and other reasons. 9 companies have been excluded from the scope of consolidation due to liquidation and other reasons.

(2) Scope of applying the equity method accounting

17 companies have been newly included in the scope of equity method application from this fiscal year due to share acquisition, the increase in materiality and other reasons.

4. Significant accounting policies

(1) Bases and methods of valuation of assets

Securities

Trading securities	Market value method (Costs of securities sold are determined based on the moving-average method)
Held-to-maturity debt securities	Amortized cost method
Other securities	
Available-for-sale securities Other than shares, etc. without market value	Market value method (Unrealized gains/losses are recorded in equity. Costs of securities sold are determined mainly based on the moving-average method)
Shares, etc. without market value	Stated at cost mainly based on the moving-average method. Contributions in the investment limited partnership (which are deemed to be securities pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are valued at the net amount proportionate to equity interests based on the financial statements for the most recent fiscal year available depending on the reporting date stipulated in the partnership agreement.
Derivative transactions	Market value method
Inventories (Fuel and supplies)	Stated at cost mainly based on the moving-average method (Amounts on the balance sheet are measured at the lower of cost or net realizable value)

(2) Depreciation methods for fixed assets

Tangible fixed assets (excluding leased assets)

Vessels	Mainly straight-line method (Declining-balance method for a part of vessels)
Buildings and structures	Mainly straight-line method
Other tangible fixed assets	Mainly declining-balance method

Intangible fixed assets (excluding leased assets)   Straight-line method

Internal use software is amortized by the straight-line method, based on the estimated useful life of 5 years.

Amortization of goodwill is estimated individually for the period in which the effect is realized, and goodwill is equally amortized over the period.

Leased assets

Leased assets under finance leases that transfer ownership are depreciated consistently as fixed assets that the Group owns.

Leased assets under finance leases other than those that transfer ownership are depreciated using the straight-line method, based on lease terms and residual value of zero.

(3) Accounting treatment for deferred assets

Bond issue expenses	Expensed as incurred
Stock issue expenses	Expensed as incurred

(4) Accounting for allowances and provisions

Allowance for doubtful accounts

Allowance for general receivables is based on historical default rate.

Allowance for specific receivables, such as individual doubtful receivables, is based on the individual likelihood of default.

Provision for bonuses

Provision for bonuses to employees is based on the estimated amounts of future payments attributed to the fiscal year.

Provision for directors' bonuses

The Company and several domestic consolidated subsidiaries record provision for bonuses to directors based on the estimated amounts of future payments.

Provision for share-based payments

The Company records provision for granting Company stock, etc. to eligible directors and executive officers under the performance-linked stock compensation plan based on the estimated number of shares, etc. granted as of the end of the fiscal year.

Provision for loss on contracts

Provision for loss on contracts is based on the estimated amounts of loss on contracts with future high probability of loss to be incurred due to a decision made over contracts, etc.

Provision for loss related to business restructuring

Provision for loss related to business restructuring is based on the estimated amounts of loss related to business restructuring.

Provision for loss on sale of fixed assets

Provision for loss on sale of fixed assets is based on the estimated amounts of loss on sale of fixed assets to be incurred due to a decision of sale on fixed assets, which is defined as the difference between the estimated amounts of sales consideration and book value.

For this provision, amounts deemed unrecoverable with respect to losses on sale arising from transactions between consolidated companies are recorded as the estimated amounts of losses. Therefore, the amount provided for this provision does not correspond to an impairment loss.

Provision for directors' and audit & supervisory board members' retirement benefits

Several domestic consolidated subsidiaries record Provision for payments of retirement benefits to directors and audit & supervisory board members based on amounts to adequately cover payments at the end of the fiscal year, in accordance with internal regulations.

Provision for periodic drydocking

Provision for periodic drydocking is based on the estimated amounts of repairs of vessels.

(5) Recognition of significant revenues and expenses

The Group mainly provides services such as maritime cargo transport, charter contracts, and other services related to the operation of seafaring vessels.

In maritime cargo transport services, each voyage for the purpose of transporting customers' cargo is deemed to be a contract and a performance obligation. Considering that this performance obligation is satisfied over the duration of the voyage as the number of days spent on the voyage elapse, the Company measures progress as the number of days until the end of the fiscal year end relative to the estimated total number of days expected for each voyage (including duration of ballast voyages related to performance of transport services, excluding duration of travel or standby of vessels not intended for performance of transportation services), and revenue is recognized based on this progress. The Company includes the amount of variable consideration related to adjustments for fuel costs and surcharges for demurrage/dispatch, etc. in the amount of consideration for transactions, but includes said variable consideration in the transaction price because it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

In charter services, the provision of transport services by vessels with complete transport capabilities through the assignment of captains, crew members, etc. is deemed to be a performance obligation. Considering that this performance obligation is satisfied by providing said transport service over the duration of a contract, revenue is recognized at the amount that the Company is entitled to charge the customer for the services rendered in accordance with Paragraph 19 of the "Implementation Guidance on Accounting Standard for Revenue Recognition."

The Company may receive consideration for certain maritime cargo transport and charter-related transactions immediately upon the satisfaction of a performance obligation, but mainly receives consideration in advance for an amount prescribed in the relevant contract. Consideration for transactions does not include a significant financing component.

Certain consolidated subsidiaries involved in the container shipping business provide services such as air and sea forwarding and land transport, and revenue is recognized mainly over the duration of the transportation period.

(6) Hedge accounting

Hedge accounting

The Company mainly adopts deferral hedge accounting. The Company adopts special accounting rules for interest swaps that meet the requirements of special accounting rules.

Hedging instruments and hedged items

Hedging instruments	Hedged items
Loans payable in foreign currencies	Future transactions in foreign currencies
Forward foreign exchange contracts	Future transactions in foreign currencies
Currency option contracts	Future transactions in foreign currencies
Currency swap contracts	Charter fees and loans payable in foreign currencies
Interest rate swap contracts	Interest on loans and bonds payable
Interest rate cap contracts	Interest on loans
Fuel oil swap contracts	Fuel oil
Freight futures	Freight

Hedging policy

The hedging derivative transactions are executed and managed by the Company mainly in accordance with established policies, "Rules of Market Risk Management" and "Guideline for Market Risk Management," clarifying hedged items by individual case, in order to hedge risks of currency exchange rate fluctuations, interest rate fluctuations, or changes in prices against relevant hedged items.

Method of evaluating the effectiveness of hedges

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

(Hedging relationships which apply "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR")

Of the above, all hedging relationships included in the scope of applying the "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (PITF No. 40, March 17, 2022) are subject to the special treatment defined in said practical solution. The details of the hedging relationships to which this practical solution is applied are as follows.

Hedge accounting	Deferral hedge accounting, special accounting rules for interest swaps
Hedging instruments	Interest swaps
Hedged items	Interest paid on loans
Hedge transaction type	Transactions with fixed cash flows

(7) Interest expenses are generally expensed as incurred. However, interest expenses for assets which are constructed over a long term and are significant in terms of investment, is included in acquisition cost.

(8) Other significant matters for the preparation of consolidated financial statements

Accounting for retirement benefits

Net defined benefit assets/liabilities are recorded based on estimates of retirement benefit obligations and pension assets as of the end of the fiscal year. Unrecognized actuarial gains/losses are amortized by the straight-line method over a period that does not exceed the employees' estimated remaining service period (generally 10 years) from the next fiscal year. Prior service costs are generally expensed as incurred.

Adoption of Consolidated Taxation System

The Consolidated Taxation System is applied.

Notes to Changes in Accounting Standards

(Adoption of Accounting Standard for Revenue Recognition)

The Company has adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020.), etc. from the beginning of the fiscal year ended March 31, 2022 to recognize revenue at the amount expected to be received in exchange for the promised goods or services when the control of those goods or services is transferred to customers. As a result, the Company has decided to adopt the percentage of voyage-completion method mainly to freight revenue and freight revenue expenses, which were previously accounted under the completed-voyage method.

The adoption of "Accounting Standard for Revenue Recognition," etc. follows the transitional treatment prescribed in the proviso of Paragraph 84 of "Accounting Standard for Revenue Recognition." The cumulative effect of retroactive adoption of the new accounting policy prior to the beginning of the fiscal year ended March 31, 2022 is added to or subtracted from retained earnings at the beginning of the fiscal year ended March 31, 2022, and the new accounting policy is adopted from the beginning balance. However, the new accounting policy has not been adopted retrospectively to contracts which recognized almost all amounts of revenue in accordance with the previous treatment prior to the beginning of the fiscal year ended March 31, 2022 by adopting the method prescribed in Paragraph 86 of "Accounting Standard for Revenue Recognition." In addition, by adopting the method prescribed in item (1) of the supplementary provisions of Paragraph 86 of "Accounting Standard for Revenue Recognition," changes in contracts made prior to the beginning of the fiscal year ended March 31, 2022 are accounted for based on the contract terms after reflecting all changes in contracts, and the cumulative effect is added to or deducted from retained earnings at the beginning of the fiscal year ended March 31, 2022.

As a result, Shipping and other revenues increased by ¥20,044 million, Shipping and other expenses increased by ¥10,417 million, Selling, general and administrative expenses increased by ¥9 million, Operating profit increased by ¥9,617 million, and Ordinary profit and Income before income taxes and non-controlling interests each increased by ¥9,597 million in the fiscal year ended March 31, 2022. The balance of retained earnings at the beginning of the fiscal year ended March 31, 2022 increased by ¥349 million. In addition, net assets per share increased by ¥25.41, and net income per share increased by ¥24.51 for the fiscal year ended March 31, 2022. Furthermore, the Company split its common share on the basis of one (1) share into three (3) shares effective April 1, 2022. The effect of "net assets per share" and "net income per share" is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2022.

Due to the adoption of "Accounting Standard for Revenue Recognition," etc., Trade receivables presented in Current assets in the consolidated balance sheets of the previous fiscal year, have been included in Trade receivables and Contract assets from the fiscal year ended March 31, 2022. In addition, some of Advances received presented as Current liabilities, Unearned revenue included in Other current liabilities, and Long-term unearned revenue included in Other fixed liabilities have been included in Contract liabilities from the fiscal year ended March 31, 2022.

(Adoption of Accounting Standard for Fair Value Measurement)

The Company has adopted "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019.), etc. from the fiscal year ended March 31, 2022, and in accordance with the transitional treatment prescribed in Paragraph 19 of "Accounting Standard for Fair Value Measurement" and Paragraph

44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the new accounting policy prescribed by “Accounting Standard for Fair Value Measurement,” etc. will be adopted prospectively. There is no impact on the consolidated financial statements. In addition, the Company decided to include notes on fair value of financial instruments by level within the fair value hierarchy in the “Notes on Financial Instruments.”

Notes to Changes in Presentations

(Consolidated statements of income)

“Provision of allowance for doubtful accounts,” which was separately disclosed in Non-operating expenses in the previous fiscal year, is included in “Others” in this fiscal year due to the decrease in materiality. “Provision of allowance for doubtful accounts” for the previous fiscal year was ¥8,187 million.

“Impairment losses,” which were separately disclosed in Extraordinary losses in the previous fiscal year, are included in “Others” in this fiscal year due to the decrease in materiality. “Impairment losses” for the previous fiscal year were ¥10,298 million.

“Loss on building reconstruction,” which was included in “Others” in Extraordinary losses in the previous fiscal year, is separately disclosed in this fiscal year, due to the increase in materiality. “Loss on building reconstruction” for the previous fiscal year was ¥114 million

Notes to Significant Accounting Estimates

1. Amounts recorded in the consolidated financial statements for the fiscal year under review

Provision for loss on contracts	¥22,093 million

2. Information on the content of significant accounting estimates for identified items

Recognition of provision for loss on contracts is estimated from the future charter fees and vessel procurement cost related to long-term charter contracts. The estimation of the charter fees is influenced by the market trend in charter hire, while the estimation of procurement cost is influenced by tends in vessel expenses, such as interest on funding for capital investment in vessels and crew personnel expenses.

As a result, these factors may have a significant impact on the amount of provision for loss on contracts in the consolidated financial statements for the following fiscal year.

Notes to Consolidated Balance Sheets

1. Breakdown and amounts of inventories

Raw materials and supplies	¥44,559 million
Other	¥1,526 million

2. Assets pledged as collateral and secured obligations

(1) Assets pledged as collateral

Vessels	¥156,092 million
Investment securities	¥106,795 million
Others	¥1,077 million
Total	¥263,966 million

Pledged investment securities include the following:

a) ¥106,187 million is pledged as collateral to secure long-term loans of subsidiaries/affiliates and future payment of charter hire.

b) ¥607 million is pledged as collateral for long-term loans associated with Offshore Business and LNG carrier projects.

(2) Secured obligations

Short-term loans	¥12,613 million
Long-term loans	¥146,404 million
Total	¥159,017 million

3. Accumulated depreciation of tangible fixed assets ¥788,959 million

4. Contingent liabilities

Guarantee liabilities, etc.	¥227,274 million
(Guarantee liabilities in foreign currency included in above	¥218,462 million)

5. Others

(1) Litigation

On January 10, 2014, the Company filed a lawsuit against Mitsubishi Heavy Industries, Ltd. (hereinafter "MHI") at Tokyo District Court seeking compensation for damages in association with a maritime accident caused by a vessel constructed by said company. In response, MHI filed a countersuit at Tokyo District Court seeking payment for reinforcement of the strength of the ship's hull of the same type of ship, and the legal dispute is continuing.

The Company recognizes the claims of the countersuit by MHI as unjust, and intends to assert the propriety of the Company in addition to upholding the claims for damages under the lawsuit.

(2) Others

Since 2012, the Group is the subject of investigations by the antitrust authorities in the U.S. and other countries, on the suspicion of violations of each country's competition laws with respect to ocean transport services of completed build-up vehicles. In addition, a class-action lawsuit was filed in the U.K., etc. against the Group, for damage claims, a cease and desist order for the questioned conduct. Meanwhile, the effect of these investigations and lawsuit on the financial results of the Group is uncertain as its financial impact is not estimable at this stage.

Notes to Consolidated Statement of Changes in Net Assets

1. Class and total number of issued and outstanding shares as of the end of this fiscal year

Class: Common stock

Total number of shares: 120,628,611 shares

Note: The Company split its common stock on the basis of one (1) share into three (3) shares effective April 1, 2022. The number of shares of common stock is presented as that before the stock split.

2. Class and number of shares of treasury stock as of the end of this fiscal year

Class: Common stock

Number of shares: 351,575 shares

Note: The Company split its common stock on the basis of one (1) share into three (3) shares effective April 1, 2022. The number of shares of treasury stock is presented as that before the stock split.

3. Dividends distribution of surplus

(1) Dividends paid

Resolution	Class of stock	Total dividends (¥ million)	Dividends per share (¥)	Record date	Effective date
Ordinary General Meeting of Shareholders June 22, 2021	Common stock	16,149	135.0	March 31, 2021	June 23, 2021
Board of Directors' Meeting October 29, 2021	Common stock	35,988	300.0	September 30, 2021	November 29, 2021

(2) Dividends for which record date is in this fiscal year but the effective date for the dividends is in the following fiscal year

Resolution	Class of stock	Total dividends (¥ million)	Dividends per share (¥)	Record date	Effective date
Ordinary General Meeting of Shareholders June 21, 2022	Common stock	108,252	900.0	March 31, 2022	June 22, 2022

Note: The Company split its common stock on the basis of one (1) share into three (3) shares effective April 1, 2022. "Dividends per share" is presented as the amount before the stock split.

4. Class and number of shares subject to the share acquisition rights at the end of the fiscal year

(Excluding share acquisition rights yet to be effective)

Class: Common stock

Total number of shares: 504,600 shares

Note: The Company split its common stock on the basis of one (1) share into three (3) shares effective April 1, 2022. The number of shares of common stock is presented as that before the stock split.

[Translation for Reference and Convenience Purposes Only]

Notes on Financial Instruments

1. Qualitative information on financial instruments

To acquire vessels and other fixed assets, the Group raises capital investment primarily by bank loans and bonds. In addition, the Group raises short-term working capital primarily by bank loans. Furthermore, the Group has commitment lines with Japanese banks to maintain sufficient sources of working capital and secure necessary liquidity in case of emergency situations.

Trade receivables are exposed to the credit risks of customers. The Group mitigates such risks by performing operations in accordance with internal regulations. In addition, trade receivables denominated in foreign currencies are exposed to the foreign currency exchange rate risks. The Group avoids this risk mainly by using exchange forward contracts to cover net trade receivables and payables denominated in foreign currencies. Short-term loans receivable and long-term loans receivable are mainly due from the subsidiaries and affiliates and are exposed to the credit risks of borrowers. The risks are managed by regularly monitoring the financial position, etc. to ensure early identification and mitigation of the potential bad debt. Investment securities are mainly stocks of companies which the Group has business relationships with. Fair value of listed stock is measured at market value on a quarterly basis.

Trade payables are due within a year. Short-term loans and commercial papers are primarily used to raise short-term working capital, while long-term loans and bonds are mainly used to raise necessary funds for capital investments. Although several items have variable interest rates and therefore are exposed to volatility risks, the Group uses derivative financial instruments (interest rate swaps and interest rate cap contracts) to fix certain portions of such variable interest rates. Long-term loans denominated in foreign currencies are exposed to foreign currency exchange rate risks; however, currency swaps are set for a portion of such loans to minimize the risks. Derivatives are used to hedge risks as discussed above and are executed to manage risks related to actual demand. In accordance with internal policies ("Rules of Market Risk Management" and "Guideline for Market Risk Management"), the Group's policy is not to use derivatives for speculative purposes.

2. Fair values of financial instruments

The book value, fair value, and differences between the two values of financial instruments at end of this fiscal year are as follows. Shares, etc. without market price (book value of ¥887,176 million) are not included in "Available-for-sale securities." Cash is omitted, and financial instruments settled within a short period are also omitted because their fair value is almost equivalent to book value.

(¥ million)

	Book Value	Fair Value	Difference
(1) Investment securities			
Held-to-maturity debt securities	188	188	(0)
Investments in and advances to subsidiaries and affiliates	3,258	3,182	(75)
Available-for-sale securities	88,225	88,242	16
(2) Long-term loans receivable (*1)	111,732		
Allowance for doubtful accounts (*2)	(16,677)		
	95,054	98,575	3,520
Total assets	186,726	190,189	3,462
(1) Bonds (*3)	213,200	213,592	392
(2) Long-term bank loans (*4)	655,411	655,743	332
Total liabilities	868,611	869,335	724
Derivative financial instruments (*5)	59,171	59,171	–

(*1) The book value of long-term loans receivable includes current portion of ¥1,628 million.
(*2) Allowance for doubtful accounts recorded separately is excluded.
(*3) The book value of bonds includes current portion of ¥23,700 million.
(*4) The book value of long-term bank loans includes current portion of ¥80,309 million.
(*5) Assets and liabilities from derivative financial instruments are net. Negative amounts are stated in ( ).

3. Details of fair value of financial instruments by level within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair values: Fair values measured by quoted prices of the assets or liabilities being measured which are given in active markets among observable valuation inputs.
Level 2 fair values: Fair values measured by inputs other than inputs included within Level 1 among observable valuation inputs.
Level 3 fair values: Fair values measured by unobservable valuation inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

(1) Financial assets and financial liabilities measured at fair value

(¥ million)

Category	Fair Value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities	88,112	–	–	88,112
Derivative financial instruments				
Currency-related	–	64,451	–	64,451
Interest-related	–	81	–	81
Others	–	1,062	–	1,062
Total assets	88,112	65,594	–	153,706
Derivative financial instruments				
Currency-related	–	362	–	362
Interest-related	–	6,052	–	6,052
Others	–	7	–	7
Total liabilities	–	6,423	–	6,423

(2) Financial assets and financial liabilities of which book value is not measured at fair value

(¥ million)

Category	Fair Value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Held-to-maturity debt securities	–	188	–	188
Investments in and advances to subsidiaries and affiliates	3,182	–	–	3,182
Available-for-sale securities	–	130	–	130
Long-term loans receivable	–	98,575	–	98,575
Total assets	3,182	98,894	–	102,076
Bonds	–	213,592	–	213,592
Long-term bank loans	–	655,743	–	655,743

Note: A description of the valuation technique(s) and inputs used in the fair value measurements

a) Investment securities

Listed shares are valued using quoted prices. As listed shares are traded in active markets, their fair value

is classified as Level 1.
The fair value of golf club membership is measured using publicly disclosed quoted prices. Although the fair value of golf club membership is measured using a quoted price, such a market is not recognized as an active market, and fair value is classified as Level 2.
The fair value of bonds held by the Company is evaluated by discounting the total amount of principal and interest using the rate that would apply if similar bonds were subscribed to, and is classified as Level 2.

b) Derivative transactions
The fair value of derivatives is measured using the discounted cash flow method using interest rates, exchange rates and other observable inputs, and is classified as Level 2. However, since interest swap contracts, to which special treatment is applied, are accounted for together with the long-term bank loans being hedged, the fair value is included in the fair value of the relevant hedged item (see "Long-term bank loans" below).

c) Long-term loans receivable
The fair value of long-term loans receivable with variable interest rates is evaluated at book value since the interest rate reflects the market rate in a short term and fair value is almost equal to book value, unless the creditworthiness of the borrower has changed significantly since the loan was made, and is classified as Level 2. The fair value of long-term loans receivable with fixed interest rates, for each category of loans based on the type of loans, and maturity length, is evaluated by discounting the total amount of principal and interest using the rate which would apply if similar borrowing were newly made, and is classified as Level 2.

d) Bonds
The fair value of bonds issued by the Company and its consolidated subsidiaries is measured using publicly disclosed quoted prices. Although the fair value of bonds is measured using a quoted price, such a market is not recognized as an active market, and fair value is classified as Level 2.

e) Long-term bank loans
The fair value of long-term bank loans with variable interest rates is evaluated at book value since fair value is almost equivalent to book value, the interest rate reflects the market rate in a short term and there has been no significant change in the creditworthiness of the Group before and after such bank loans were made, and is classified as Level 2. Long-term bank loans with fixed interest rates are classified by their duration, and based on their individual loan type, their fair value is evaluated by discounting the total amount of principal and interest using the rate which would apply if similar bank loans were to be newly made, and is classified as Level 2. Certain long-term bank loans with variable interest rates are subject to the special treatment applied to interest swap contracts (see "Derivative transactions" above), and measured using the sum of principal and interest accounted for together with the relevant hedged item.

[Translation for Reference and Convenience Purposes Only]

Notes on Business Combination

(Transactions under common control)

Additional investment in consolidated subsidiary Utoc Corporation

1. Overview of the transaction

(1) Company name at the time of business combination and type of business

Company name at the time of business combination: Utoc Corporation

Type of business: Port transport business, maritime transport business, automated transport of general cargo, cargo transport consignment business, warehouse business, customs business, construction business, real estate business

(2) Date of business combination

Acquisition through tender offer for shares: January 25, 2022

Acquisition through Demand for Shares Cash-Out: March 2, 2022

(3) Legal form of business combination

Share acquisition as a non-controlling interest

(4) Company name after business combination

Not changed.

(5) Other matters concerning the transaction

With the aim of concentrating the Group's management resources in a stronger form and strengthening Group-wide management by making Utoc Corporation ("Utoc"), a consolidated subsidiary of the Company, a wholly-owned subsidiary, the Company resolved at its Board of Directors meeting held on November 30, 2021 to acquire the common stock of Utoc through a tender offer (hereinafter "Utoc Tender Offer") under the Financial Instruments and Exchange Act, implemented the Utoc Tender Offer from December 1, 2021 to January 18, 2022, and acquired additional shares of Utoc on January 25, 2022.

Utoc became a wholly-owned subsidiary of the Company upon effectuation of the share acquisition on March 2, 2022, through a series of procedures (Demand for Shares Cash-Out) to make the Company the sole shareholder of Utoc.

2. Accounting treatment of transaction

The transaction was accounted for as a non-controlling interest within transactions under common control in accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).

3. Matters listed on the additional acquisition of subsidiary shares

Breakdown of acquisition cost and consideration by type

Acquisition consideration	Cash (including other payables)	¥10,179 million
Acquisition cost		¥10,179 million

4. Matters related to changes in the Company's equity from transaction with non-controlling interest

(1) Main cause of change in capital surplus

Additional acquisition of subsidiary shares

(2) Increase in capital surplus from transaction with non-controlling interest

¥1,539 million

[Translation for Reference and Convenience Purposes Only]

Additional investment in consolidated subsidiary DAIBIRU CORPORATION

1. Overview of the transaction

(1) Company name at the time of business combination and type of business

Company name at the time of business combination: DAIBIRU CORPORATION

Type of business: Ownership, operation, management, and leasing of real estate

(2) Date of business combination

January 25, 2022

(3) Legal form of business combination

Share acquisition as a non-controlling interest

(4) Company name after business combination

Not changed.

(5) Other matters concerning the transaction

With the aim of concentrating the Group's management resources in a stronger form and strengthening Group-wide management by making DAIBIRU CORPORATION ("DAIBIRU"), a consolidated subsidiary of the Company, a wholly-owned subsidiary, the Company resolved at its Board of Directors meeting held on November 30, 2021 to acquire the common stock of DAIBIRU through a tender offer (hereinafter "DAIBIRU Tender Offer") under the Financial Instruments and Exchange Act, implemented the DAIBIRU Tender Offer from December 1, 2021 to January 18, 2022, and acquired additional shares of DAIBIRU on January 25, 2022.

The Company intends to make DAIBIRU a wholly-owned subsidiary through a series of procedures (Share Consolidation) to make the Company the sole shareholder of DAIBIRU.

2. Accounting treatment of transaction

The transaction was accounted for as a non-controlling interest within transactions under common control in accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).

3. Matters listed on the additional acquisition of subsidiary shares

Breakdown of acquisition cost and consideration by type

Acquisition consideration	Cash	¥77,429 million
Acquisition cost		¥77,429 million

4. Matters related to changes in the Company's equity from transaction with non-controlling interest

(1) Main cause of change in capital surplus

Additional acquisition of subsidiary shares

(2) Decrease in capital surplus from transaction with non-controlling interest

¥23,779 million

[Translation for Reference and Convenience Purposes Only]

Notes on Rental Property

1. Qualitative information on rental property

The Company and certain of its consolidated subsidiaries own real estate for office lease (including land) in Tokyo, Osaka and other areas.

2. Fair value of rental property

(¥ million)

Book Value	Fair Value
330,518	573,865

Notes: 1. Book value is acquisition cost less accumulated depreciation.
2. Fair value of major properties is based on the valuation of independent real estate appraisers. For other properties, fair value of land is adjusted using an index that reflects market price properly. Fair value of depreciable assets such as buildings is the amount recorded on the consolidated balance sheets.

Notes on Revenue Recognition

1. Information on disaggregation of revenue from contracts with customers

The Group's business activities are centered on the shipping business, providing maritime cargo transport and ship chartering services. The Group mainly operates the Dry Bulk Business, the Energy and Offshore Business, the Containerships Business, the Car Carrier/Ferries/Costal RoRo Ships Business, and the Associated Businesses.

The revenues of these businesses during the fiscal year ended March 31, 2022 (including internal sales and transfers between the businesses) were ¥360,913 million, ¥303,165 million, ¥277,346 million, ¥239,352 million, and ¥108,103 million.

Since revenue other than revenue from contracts with customers is negligible, the Company does not present revenue from contracts with customers and other revenue in separate categories.

2. Basic information for understanding revenue from contracts with customers

Basic information for understanding revenue is as presented in "Significant Matters for Basis of Preparation of Consolidated Financial Statements 4. Significant accounting policies, (5) Recognition of significant revenues and expenses."

3. Information for understanding amounts of revenue in the fiscal year under review and the following fiscal year onward

(1) Contract asset and contract liability balances

(¥ million)

	FY2021
Receivables from contracts with customers (beginning balance)	103,398
Contract assets (beginning balance)	6,626
Contract liabilities (beginning balance)	22,526

The balance of contract liabilities at the beginning of the fiscal year under review is generally recognized as revenue in the said fiscal year.

Changes in the balance of contract liabilities during this fiscal year were mainly due to receiving consideration in advance and satisfying performance obligations in the maritime cargo transport and ship chartering businesses. Changes in the balance of contract assets were mainly due to the recognition of revenue and transfer to receivables.

The amount of revenue recognized in the fiscal year under review resulting from performance obligations that were satisfied in previous periods is immaterial.

(2) Transaction price allocated to the remaining performance obligations

The Group has applied the practical expedient to notes on transaction prices allocated to the remaining performance obligations. In maritime cargo transport, each voyage to transport customers' cargo is considered a contract and a performance obligation, and the duration of each voyage is one year or less. In regard to performance obligations in ship chartering, revenue from the satisfaction of performance obligations is recognized in accordance with Paragraph 19 of "Accounting Standard for Revenue Recognition." As such, notes pertaining to each of these performance obligations are not presented. The transaction price allocated to the remaining performance obligations for other services provided by the Group in this fiscal year is immaterial.

Per-share Information

1. Net assets per share	¥3,532.32
2. Net income per share	¥1,970.16

Note: The Company split its common stock on the basis of one (1) share into three (3) shares effective April 1, 2022. Net assets per share and net income per share are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2022.

Major Subsequent Event

(Stock Split)

The Company resolved at a meeting of its Board of Directors held on February 28, 2022 to implement a stock split and conducted the split effective April 1, 2022.

1. Purpose of the stock split

The purpose is to expand the investor base by reducing the Company's stock price per investment unit.

2. Outline of the stock split

(1) Method of the stock split

Each share of common stock owned by shareholders listed or recorded in the closing register of shareholders on the record date of March 31, 2022 will be split into 3 shares per share of the Company's common stock.

(2) Number of shares to be increased by the stock split

1. Total number of issued shares before the stock split:	120,628,611 shares
2. Number of shares to be increased by the stock split:	241,257,222 shares
3. Total number of issued shares following the stock split:	361,885,833 shares
4. Total number of authorized shares following the stock split:	946,200,000 shares

3. Schedule of the stock split

Public notice of record date:	March 15, 2022
Record date:	March 31, 2022
Effective date:	April 1, 2022

4. Impact on per-share information

The impact of the stock split is described in "Per-share Information."

Other Notes

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

[Translation for Reference and Convenience Purposes Only]

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(¥ million)

	As of March 31, 2022	As of March 31, 2021
	Amount	Amount
(Assets)		
Current assets	**272,635**	**255,750**
Cash and deposits	47,761	26,374
Trade receivables	56,232	34,963
Contract assets	12,529	–
Short-term loans receivable	55,594	93,864
Advances	20,600	8,750
Marketable securities	1,000	500
Inventories	34,022	20,268
Deferred and prepaid expenses	13,678	39,539
Receivable from agencies	14,745	11,135
Other current assets	18,466	23,730
Allowance for doubtful accounts	(1,995)	(3,378)
Fixed assets	**958,855**	**754,172**
(Tangible fixed assets)	**166,725**	**135,150**
Vessels	117,479	100,098
Buildings	7,238	7,677
Structures and equipment	242	274
Vehicles and transportation equipment	11	31
Furniture and fixtures	323	385
Land	15,478	16,197
Construction in progress	21,813	8,745
Other tangible fixed assets	4,137	1,739
(Intangible fixed assets)	**18,818**	**14,318**
(Investments and other assets)	**773,311**	**604,703**
Investment securities	63,671	61,607
Investments in and advances to subsidiaries and affiliates	527,200	393,194
Long-term loans receivable	89,267	61,669
Long-term prepaid expenses	4,801	5,522
Prepaid pension costs	7,807	11,935
Long-term lease receivables	71,805	65,939
Other investments and other assets	15,790	10,894
Allowance for doubtful accounts	(7,033)	(6,059)
Total Assets	**1,231,491**	**1,009,922**

[Translation for Reference and Convenience Purposes Only]

(¥ million)

	As of March 31, 2022	As of March 31, 2021
	Amount	Amount
(Liabilities)		
Current liabilities	**310,072**	**338,799**
Trade payables	65,759	45,299
Short-term bonds	8,700	17,800
Short-term bank loans	181,035	167,184
Other payables	3,892	3,834
Accrued income taxes	3,357	–
Advances received	20	24,201
Contract liabilities	17,246	–
Payable to agencies	562	495
Commercial papers	–	40,000
Provision for bonuses	6,453	2,763
Provision for directors' bonuses	523	142
Provision for share-based payments	184	–
Provision for loss on guarantees	1,431	6,723
Provision for loss on contracts	11,036	13,709
Provision for loss related to business restructuring	213	6,579
Other current liabilities	9,656	10,065
Fixed liabilities	**501,678**	**476,548**
Bonds	109,500	68,200
Long-term bank loans	334,711	335,896
Deferred tax liabilities	13,041	11,545
Provision for share-based payments	354	–
Provision for loss on guarantees	19,920	24,412
Provision for loss on contracts	11,057	21,229
Provision for loss related to business restructuring	–	193
Other fixed liabilities	13,094	15,070
Total Liabilities	**811,751**	**815,348**
(Net Assets)		
Shareholders' equity	**393,873**	**172,433**
Common stock	65,400	65,400
Capital surplus	44,371	44,371
Additional paid-in capital	44,371	44,371
Retained earnings	286,370	69,177
Legal earnings reserve	8,527	8,527
Other retained earnings	277,842	60,650
Reserve for advanced depreciation	743	885
General reserve	46,630	46,630
Retained earnings (losses) brought forward	230,468	13,134
Treasury stock	(2,268)	(6,516)
Accumulated gains from valuation and translation adjustments	**25,083**	**20,793**
Unrealized holding gains on available-for-sale securities, net of tax	27,040	23,524
Unrealized gains (losses) on hedging derivatives, net of tax	(1,956)	(2,731)
Share acquisition rights	**781**	**1,347**
Total Net Assets	**419,739**	**194,574**
Total Liabilities and Net Assets	**1,231,491**	**1,009,922**

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Non-consolidated Statements of Income

(¥ million)

	FY2021 (From April 1, 2021 to March 31, 2022) Amount	FY2020 (From April 1, 2020 to March 31, 2021) Amount
Shipping and other revenues		
Shipping revenues		
Freight	514,094	354,987
Charter fees	205,879	187,870
Other shipping revenues	44,339	41,888
Total	**764,313**	**584,747**
Other operating revenue	900	882
Total shipping and other revenues	**765,214**	**585,630**
Shipping and other expenses		
Shipping expenses		
Voyage expenses	236,534	162,967
Vessels	16,570	14,353
Charter fees	388,930	346,693
Other shipping expenses	51,835	44,041
Total	**693,869**	**568,056**
Other operating expenses	567	630
Total shipping and other expenses	**694,437**	**568,686**
Gross operating income	**70,776**	**16,943**
General and administrative expenses	37,400	30,210
Operating profit (loss)	**33,376**	**(13,267)**
Non-operating income		
Interest and dividend income	246,182	54,168
Others	3,080	1,389
Total non-operating income	**249,263**	**55,557**
Non-operating expenses		
Interest expenses	5,129	5,517
Foreign exchange losses	9,979	2,500
Provision of allowance for loss on guarantees	–	6,083
Provision of allowance for doubtful accounts	3,991	3,145
Others	3,297	1,586
Total non-operating expenses	**22,398**	**18,832**
Ordinary profit	**260,240**	**23,457**
Extraordinary income		
Gain on sales of fixed assets	12,092	1,453
Gain on sale of investment securities	4,741	1,631
Gain on sale of securities issued by subsidiaries and affiliates	216	1,090
Gain on liquidation of subsidiaries and affiliates	124	637
Gain on reversal of share acquisition rights	121	343
Compensation income	–	707
Others	6,577	407
Total extraordinary income	**23,874**	**6,270**
Extraordinary losses		
Loss on sale of fixed assets	6	9
Loss on retirement of fixed assets	194	58
Loss on valuation of securities issued by subsidiaries and affiliates	1,551	20,269
Loss on valuation of investment securities	2,308	–
Provision of allowance for loss on guarantees	1,431	6,723
Loss related to business restructuring	4,483	6,772
Others	707	6,347
Total extraordinary losses	**10,683**	**40,181**
Income (loss) before income taxes	**273,431**	**(10,453)**
Income taxes - current	3,589	(259)
Income taxes - deferred	(162)	(1,024)
Net income (loss)	**270,004**	**(9,169)**

[Translation for Reference and Convenience Purposes Only]

Non-consolidated Statement of Changes in Net Assets

FY2021 (April 1, 2021 – March 31, 2022)

(¥ million)

	Shareholders' equity									
		Capital surplus		Retained earnings						
					Other retained earnings					
	Common stock	Additional paid-in capital	Total capital surplus	Legal earnings reserve	Reserve for advanced depreciation	General reserve	Retained earnings (losses) brought forward	Total retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2021	**65,400**	**44,371**	**44,371**	**8,527**	**885**	**46,630**	**13,134**	**69,177**	**(6,516)**	**172,433**
Cumulative effects of changes in accounting policies							691	691		691
Restated balance	65,400	44,371	44,371	8,527	885	46,630	13,826	69,869	(6,516)	173,125
Changes during period										
Exercise of share acquisition rights			–					–	657	657
Dividends of surplus			–				(52,137)	(52,137)		(52,137)
Profit			–				270,004	270,004		270,004
Reversal of reserve for advanced depreciation			–		(141)		141	–		–
Purchase of treasury stock			–					–	(97)	(97)
Disposal of treasury stock			–				(1,366)	(1,366)	3,687	2,321
Net changes of items other than shareholders' equity			–					–		–
Total changes of items during period	**–**	**–**	**–**	**–**	**(141)**	**–**	**216,642**	**216,500**	**4,247**	**220,748**
Balance at March 31, 2022	**65,400**	**44,371**	**44,371**	**8,527**	**743**	**46,630**	**230,468**	**286,370**	**(2,268)**	**393,873**

	Accumulated gains from valuation and translation adjustments			Share acquisition rights	Total net assets
	Unrealized holding gains on available-for-sale securities, net of tax	Unrealized gains (losses) on hedging derivatives, net of tax	Total accumulated gains from valuation and translation adjustments		
Balance at April 1, 2021	**23,524**	**(2,731)**	**20,793**	**1,347**	**194,574**
Cumulative effects of changes in accounting policies					691
Restated balance	23,524	(2,731)	20,793	1,347	195,266
Changes during period					
Exercise of share acquisition rights			–	(657)	–
Dividends of surplus			–		(52,137)
Profit			–		270,004
Reversal of reserve for advanced depreciation			–		–
Purchase of treasury stock			–		(97)
Disposal of treasury stock					2,321
Net changes of items other than shareholders' equity	3,515	775	4,290	91	4,382
Total changes of items during period	**3,515**	**775**	**4,290**	**(566)**	**224,472**
Balance at March 31, 2022	**27,040**	**(1,956)**	**25,083**	**781**	**419,739**

[Translation for Reference and Convenience Purposes Only]

Notes to Non-consolidated Financial Statements

Notes to Matters for Significant Accounting Policies

1. Bases and methods of valuation of assets

Securities

Trading securities	Market value method (Costs of securities sold are determined based on the moving-average method)
Held-to-maturity debt securities	Amortized cost method
Investments in and advances to subsidiaries and affiliates	Stated at cost using the moving-average method.
Other securities	
Other than shares, etc. without market value	Market value method (Unrealized gains/losses are recorded in equity. Costs of securities sold are determined based on the moving-average method)
Shares, etc. without market value	Stated at cost based on the moving-average method Contributions in the investment limited partnership (which are deemed to be securities pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are valued at the net amount proportionate to equity interests based on the financial statements for the most recent fiscal year available depending on the reporting date stipulated in the partnership agreement.
Derivative transactions	Market value method
Inventories	Stated at cost mainly based on the moving-average method (Amounts on the balance sheet are measured at the lower of cost or net realizable value)

2. Depreciation methods for fixed assets

Tangible fixed assets (excluding leased assets)

Vessels	Straight-line method
Buildings	Straight-line method
Other tangible fixed assets	Mainly declining-balance method
Intangible fixed assets (excluding leased assets)	Straight-line method Internal use software is amortized by the straight-line method, based on the estimated useful life of 5 years.
Leased assets	Leased assets under finance leases that transfer ownership are depreciated consistently as fixed assets that the Company owns. Leased assets under finance leases other than those that transfer ownership are depreciated using the straight-line method, based on lease terms and residual value of zero.

3. Accounting treatment for deferred assets

Bond issue expenses

Expensed as incurred

Stock issue expenses

Expensed as incurred

4. Accounting for allowances and provisions

Allowance for doubtful accounts

Allowance for general receivables is based on historical default rate.

Allowance for specific receivables, such as individual doubtful receivables, is based on the individual likelihood of default.

Provision for bonuses

Provision for bonuses to employees is based on the estimated amounts of future payments attributed to the fiscal year.

Provision for directors' bonuses

Provision for bonuses to directors is based on the estimated amounts of future payments.

Provision for share-based payments

Provision for granting Company stock, etc. to eligible directors and executive officers under the performance-linked stock compensation plan is based on the estimated number of shares, etc. granted as of the end of the fiscal year.

Provision for loss on guarantees

Provision for loss on guarantees is based on the estimated amounts of losses arising from fulfilling guarantee obligations in view of the financial conditions of guaranteed companies.

Provision for loss on contracts

Provision for loss on contracts is based on the estimated amounts of loss on contracts with future high probability of loss to be incurred due to a decision made over contracts, etc.

Provision for loss related to business restructuring

Provision for loss related to business restructuring, etc. is based on the estimated amounts of loss.

Provision for employees' severance and retirement benefits

Provision for retirement benefits to employees is based on the estimated amounts of retirement benefit obligations and pension assets as of the end of the fiscal year.

In calculating retirement benefit obligations, the Company uses straight-line attribution as a method of attributing estimates of retirement benefit to a period up to the end of the fiscal year.

Actuarial differences are recognized using the straight-line method within the estimated remaining service period (10 years) commencing with the following period. Prior service cost is accounted for as expenses in lump-sum at the time of occurrence.

5. Recognition of freight revenues and related expenses

The Company mainly provides services such as maritime cargo transport, charter contracts, and other services related to the operation of seafaring vessels.

In maritime cargo transport services, each voyage for the purpose of transporting customers' cargo is essentially regarded as a separate contract and is deemed to be a performance obligation. Considering that this performance obligation is satisfied over the duration of the voyage as the number of days spent on the voyage elapse, the Company measures progress as the number of days until the end of the fiscal year end relative to the estimated total number of days expected for each voyage (including duration of ballast voyages related to performance of transport services, excluding duration of travel or standby of vessels not intended for performance of transportation services), and revenue is recognized based on this progress.

The Company includes the amount of variable consideration related to adjustments for fuel costs and surcharges for demurrage/dispatch, etc. in the amount of consideration for transactions, but includes said variable consideration in the transaction price because it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

In charter services, the provision of transport services by vessels with complete transport capabilities through the assignment of captains, crew members, etc. is deemed to be a performance obligation. Considering that this performance obligation is satisfied by providing said transport service over the duration of a contract, revenue is recognized at the amount that the Company is entitled to charge the customer for the services rendered in accordance with Paragraph 19 of the "Implementation Guidance on Accounting Standard for Revenue Recognition."
The Company may receive consideration for certain maritime cargo transport and charter-related transactions immediately upon the satisfaction of a performance obligation, but mainly receives consideration in advance for an amount prescribed in the relevant contract. Consideration for transactions does not include a significant financing component.

6. Hedge accounting

Hedge accounting

The Company adopts deferral hedge accounting.
Special accounting rules are used for interest swaps that meet the requirements of special accounting rules.

Hedging instruments and hedged items

Hedging instruments	Hedged items
Loans payable in foreign currencies	Future transactions in foreign currencies
Forward foreign exchange contracts	Future transactions in foreign currencies
Currency option contracts	Future transactions in foreign currencies
Interest rate swap contracts	Interest on loans and bonds payable
Interest rate cap contracts	Interest on loans
Fuel oil swap contracts	Fuel oil
Freight futures	Freight

Hedging policy

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

Method of evaluating the effectiveness of hedges

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

7. Accounting treatment for interest expenses

Interest expenses are generally expensed as incurred. However, interest expenses for assets which are constructed over a long term and are significant in terms of investment, are included in acquisition cost.

8. Accounting treatment for retirement benefits

The accounting methods for unrecognized actuarial differences relating to retirement benefits are different from those accounting methods in the consolidated financial statements.

9. Application of the Consolidated Taxation System

The Consolidated Taxation System is applied.

[Translation for Reference and Convenience Purposes Only]

Notes to Changes in Accounting Standards

(Adoption of Accounting Standard for Revenue Recognition)

The Company has adopted “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020.), etc. from the beginning of the fiscal year ended March 31, 2022 to recognize revenue at the amount expected to be received in exchange for the promised goods or services when the control of those goods or services is transferred to customers. As a result, the Company has decided to adopt the percentage of voyage-completion method to freight revenue and freight revenue expenses, which were previously accounted under the completed-voyage method.

The adoption of “Accounting Standard for Revenue Recognition,” etc. follows the transitional treatment prescribed in the proviso of Paragraph 84 of “Accounting Standard for Revenue Recognition.” The cumulative effect of retroactive adoption of the new accounting policy prior to the beginning of the fiscal year ended March 31, 2022 is added to or subtracted from retained earnings brought forward at the beginning of the fiscal year ended March 31, 2022, and the new accounting policy is adopted from the beginning balance. However, the new accounting policy has not been adopted retrospectively to contracts which recognized almost all amounts of revenue in accordance with the previous treatment prior to the beginning of the fiscal year ended March 31, 2022 by adopting the method prescribed in Paragraph 86 of “Accounting Standard for Revenue Recognition.” In addition, by adopting the method prescribed in item (1) of the supplementary provisions of Paragraph 86 of “Accounting Standard for Revenue Recognition,” changes in contracts made prior to the beginning of the fiscal year ended March 31, 2022 are accounted for based on the contract terms after reflecting all changes in contracts, and the cumulative effect is added to or deducted from retained earnings brought forward at the beginning of the fiscal year ended March 31, 2022.

As a result, Shipping and other revenues increased by ¥18,714 million, Shipping and other expenses increased by ¥9,139 million, Operating profit, Ordinary profit and Income before income taxes each increased by ¥9,574 million in the fiscal year ended March 31, 2022. The balance of retained earnings brought forward at the beginning of the fiscal year ended March 31, 2022 increased by ¥691 million. In addition, net assets per share increased by ¥25.43, and net income per share increased by ¥23.58 for the fiscal year ended March 31, 2022. Furthermore, the Company split its common share on the basis of one (1) share into three (3) shares effective April 1, 2022. The effect of “net assets per share” and “net income per share” is calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2022.

Due to the adoption of “Accounting Standard for Revenue Recognition,” etc., Trade receivables presented in Current assets in the non-consolidated balance sheets of the previous fiscal year, have been included in Trade receivables and Contract assets from the fiscal year ended March 31, 2022. In addition, some of Advances received presented as Current liabilities, and Long-term unearned revenue included in Other fixed liabilities have been included in Contract liabilities from the fiscal year ended March 31, 2022.

(Adoption of Accounting Standard for Fair Value Measurement)

The Company has adopted “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019.), etc. from the fiscal year ended March 31, 2022, and in accordance with the transitional treatment prescribed in Paragraph 19 of “Accounting Standard for Fair Value Measurement” and Paragraph 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the new accounting policy prescribed by “Accounting Standard for Fair Value Measurement,” etc. will be adopted prospectively. There is no impact on the financial statements.

Notes to Changes in Presentations

(Non-consolidated balance sheets)

Short-term lease receivables" (¥8,610 million for the fiscal year under review), which were separately disclosed in the previous fiscal year, are included in "Other current assets" in Current assets in this fiscal year, due to the decrease in materiality. "Short-term lease receivables" for the previous fiscal year were ¥13,698 million.

Notes to Significant Accounting Estimates

1. Amounts recorded in the financial statements for the fiscal year under review

Provision for loss on contracts	¥22,093 million

2. Information on the content of significant accounting estimates for identified items

Statement is omitted as the same details are provided in "Notes to Significant Accounting Estimates" in the Notes to Consolidated Financial Statements.

Notes to Non-consolidated Balance Sheets

1. To subsidiaries and affiliates

Short-term monetary lending	¥84,904 million
Long-term monetary lending	¥155,773 million
Short-term monetary debts	¥107,178 million
Long-term monetary debts	¥595 million

2. Accumulated depreciation on tangible fixed assets ¥98,101 million

3. Assets pledged as collateral and secured obligations

(1) Assets pledged as collateral

Vessels	¥24,286 million
Investment securities	¥607 million
Investments in and advances to subsidiaries and affiliates	¥68,697 million
Total	¥93,591 million

Pledged investment securities and investments in and advances to subsidiaries and affiliates include the following:

a) Investments in and advances to subsidiaries and affiliates of ¥68,697 million are pledged as collateral to secure long-term loans of subsidiaries/affiliates and future payment of charter hire.

b) Investment securities of ¥607 million are pledged as collateral for long-term loans associated with Offshore Business projects.

(2) Secured obligations

Short-term loans	¥4,369 million
Long-term loans	¥53,453 million
Total	¥57,822 million

4. Contingent liabilities

Guarantee liabilities, etc.	¥529,850 million
(Guarantee liabilities in foreign currency included in above	¥403,809 million)

5. Others

(1) Litigation

On January 10, 2014, the Company filed a lawsuit against Mitsubishi Heavy Industries, Ltd. (hereinafter "MHI") at Tokyo District Court seeking compensation for damages in association with a maritime accident caused by a vessel constructed by said company. In response, MHI filed a countersuit at Tokyo District Court seeking payment for reinforcement of the strength of the ship's hull of the same type of ship, and the legal dispute is continuing.

The Company recognizes the claims of the countersuit by MHI as unjust, and intends to assert the propriety of the Company in addition to upholding the claims for damages under the lawsuit.

(2) Guarantees

In relation to early termination of a terminal agreement with consolidated subsidiary TraPac, LLC. as a result of integration of the Container Shipping Businesses, the Company will furnish guarantees covering cargo volumes and unit pricing with respect TraPac, LLC. through March 2024. Meanwhile, the effect of causing performance of such guarantee on the financial results of the Company is uncertain as its financial impact is not estimable at this stage.

(3) Others

Since 2012, the Company is the subject of investigations by the antitrust authorities in the U.S. and other countries, on the suspicion of violations of each country's competition laws with respect to ocean transport services of completed build-up vehicles. In addition, a class-action lawsuit was filed in the U.K., etc. against the Company, for damage claims, a cease and desist order for the questioned conduct. Meanwhile, the effect of these investigations and lawsuit on the financial results of the Company is uncertain as its financial impact is not estimable at this stage.

Notes to Non-consolidated Statements of Income

Volume of transactions with subsidiaries and affiliates

Volume of operating transactions	
Revenues	¥134,620 million
Shipping and other expenses	¥267,001 million
Transactions other than operating transactions	¥293,097 million

Notes to Non-consolidated Statement of Changes in Net Assets

Class and number of shares of treasury stock as of the end of this fiscal year

Common stock	348,548 shares

Note: The Company split its common stock on the basis of one (1) share into three (3) shares effective April 1, 2022. The number of shares of treasury stock is presented as that before the stock split.

Notes on Deferred Tax Accounting

1. Accounting treatment of corporation tax and local corporation tax and accounting treatment of related deferred tax accounting

The Company will transition to the Group Tax Sharing System from the Consolidated Taxation System from the fiscal year ending March 31, 2023.

Moreover, for the accounting treatment and disclosure of deferred tax accounting for corporation tax and location corporation tax, the Company has adopted "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No. 42, August 12, 2021) from the end of the fiscal year under review.

Regarding the accounting treatment and disclosure of corporation tax and location corporation tax, since the Company applied the Consolidated Taxation System during the fiscal year under review, it has followed "Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 1)" (PITF No. 5, February 16, 2018) and "Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 2)" (PITF No. 7, February 16, 2018).

The Company does not plan to adjust, among the tax sharing group, the tax effect amount under the Group Tax Sharing System. Therefore, for the determination of recoverability of deferred tax assets pertaining to future deductible temporary differences and tax losses brought forward in the non-consolidated financial statements, the Company follows paragraphs 6 through 34 of ASBJ Guidance No. 26 "Implementation Guidance on Recoverability of Deferred Tax Assets" ("Guidance on Recoverability"; March 28, 2016). When applying paragraph 11 (5) and (6) of the Guidance on Recoverability, the impact of the tax effect amount among the tax sharing group is not considered.

2. Significant components of deferred tax assets and liabilities

	(¥ million)
Deferred tax assets	
Tax loss brought forward	15,178
Retained income of specific foreign subsidiaries	42,445
Loss on valuation of available-for-sale securities	1,061
Voluntary adjustment of loss on valuation of securities issued by subsidiaries and affiliates	73,152
Provision for bonuses	1,849
Impairment loss	227
Allowance for doubtful accounts	2,586
Provision for loss related to business restructuring	61
Provision for loss on guarantees	6,117
Provision for loss on contracts	6,329
Transfer of charters from subsidiaries and affiliates	989
Deemed dividends	11,650
Unrealized gains (losses) on hedging derivatives, net of tax	587
Loss on guarantees	1,013
Others	7,749
Subtotal	170,998
Valuation allowance for tax loss brought forward	(15,178)
Valuation allowance for the total of future deductible temporary differences, etc.	(155,793)
Valuation allowance	(170,971)
Total deferred tax assets	26
Deferred tax liabilities	
Gain on securities contributed to employee retirement benefit trust	(2,012)
Unrealized gains on available-for-sale securities	(10,573)
Others	(482)
Total deferred tax liabilities	(13,068)
Net deferred tax liabilities	(13,041)

[Translation for Reference and Convenience Purposes Only]

Notes on Transactions with Related Parties

(¥ million)

Attribution	Name of company	Ratio of MOL's voting rights	Nature of relationship	Nature of transaction (Note 1)	Transacted amount	Account	Term-end balance
Subsidiary	MOL FSRU Terminal (Hong Kong) Ltd.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	29,493	-	-
	White Bear Maritime Ltd.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	22,851	-	-
	MOG-X LNG Shipholding S.A.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	20,610	-	-
	Samba Offshore S.A.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	20,006	-	-
	MOL Bridge Finance S.A.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	15,176	-	-
	Linkman Holdings Inc.	Directly 100%	Interlocking directorate Ship chartering Funding loan Borrowing of funds	Funding loan Borrowing of funds	37,543 68,190	Short-term loans receivable Short-term loans	35,047 6,004
	LNG Lilac Shipping Corporation	Directly 100%	Interlocking directorate Ship chartering Funding loan	Funding loan	12,319	-	-
	Utoc Corporation	Directly 100%	Interlocking directorate Borrowing of funds	Borrowing of funds	11,107	Short-term loans	13,296
	Canopus Maritime Inc.	Directly 100%	Interlocking directorate Ship chartering	Recovery of lease receivables	2,184	Lease receivables (Note 2)	24,644
Affiliate	Area1 Mexico MV34 B.V.	Directly 30%	Interlocking directorate Debt guarantee	Debt guarantee	38,766	-	-
	Libra MV31 B.V.	Directly 20.6%	Interlocking directorate Debt guarantee	Debt guarantee	36,506	-	-
	Buzios5 MV32 B.V.	Directly 20%	Interlocking directorate Debt guarantee	Debt guarantee	29,619	-	-
	Marlim1 MV33 B.V.	Directly 20%	Interlocking directorate Debt guarantee	Debt guarantee	22,836	-	-
	Arctic Purple LNG Shipping Ltd.	Directly 50%	Interlocking directorate Debt guarantee	Debt guarantee	13,833	-	-
	Arctic Green LNG Shipping Ltd.	Directly 50%	Interlocking directorate Debt guarantee	Debt guarantee	12,995	-	-
	Karmol LNG Company Ltd.	Directly 50%	Interlocking directorate Funding loan	Funding loan	9,783	Short-term loans receivable Long-term loans receivable	4,822 8,144

Notes: 1. Transaction conditions and policies to decide transaction conditions, etc.
(1) Debt guarantees are for borrowings from financial institutions, etc. Guarantee charges are determined upon taking into account the guarantee recipient, the form of guarantee, and other such conditions.
(2) As for funding loan, it is determined by market rates and conditions, and companies are not required to pay mortgages.
(3) As for borrowing of funds, it is determined by market rates and conditions.
(4) As for part of the funding loans and the borrowing of funds, because they involve repeated transactions, the average for this fiscal year is shown for the transacted amount.
(5) With respect to debt guarantee for MOL Bridge Finance S.A., provision for loss on guarantees of ¥15,176 million was recorded.
(6) Lease payments receivable are determined giving consideration to the amount corresponding to the cost of the leased asset.
2. Lease receivables shown include lease receivables scheduled to be paid within one year.

Notes on Revenue Recognition

(Basic information for understanding revenue from contracts with customers)

Basic information for understanding revenue is as presented in “Notes to Matters for Significant Accounting Policies, 5. Recognition of freight revenues and related expenses.”

[Translation for Reference and Convenience Purposes Only]

Per-share Information

1. Net assets per share ¥1,161.06
2. Net income per share ¥750.46

Note: The Company split its common stock on the basis of one (1) share into three (3) shares effective April 1, 2022. Net assets per share and net income per share are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2022.

Major Subsequent Event

(Stock Split)

The Company resolved at a meeting of its Board of Directors held on February 28, 2022 to implement a stock split and conducted the split effective April 1, 2022.

1. Purpose of the stock split

The purpose is to expand the investor base by reducing the Company's stock price per investment unit.

2. Outline of the stock split

(1) Method of the stock split

Each share of common stock owned by shareholders listed or recorded in the closing register of shareholders on the record date of March 31, 2022 will be split into 3 shares per share of the Company's common stock.

(2) Number of shares to be increased by the stock split

1. Total number of issued shares before the stock split:	120,628,611 shares
2. Number of shares to be increased by the stock split:	241,257,222 shares
3. Total number of issued shares following the stock split:	361,885,833 shares
4. Total number of authorized shares following the stock split:	946,200,000 shares

3. Schedule of the stock split

Public notice of record date:	March 15, 2022
Record date:	March 31, 2022
Effective date:	April 1, 2022

4. Impact on per-share information

The impact of the stock split is described in "Per-share Information."

Other Notes

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