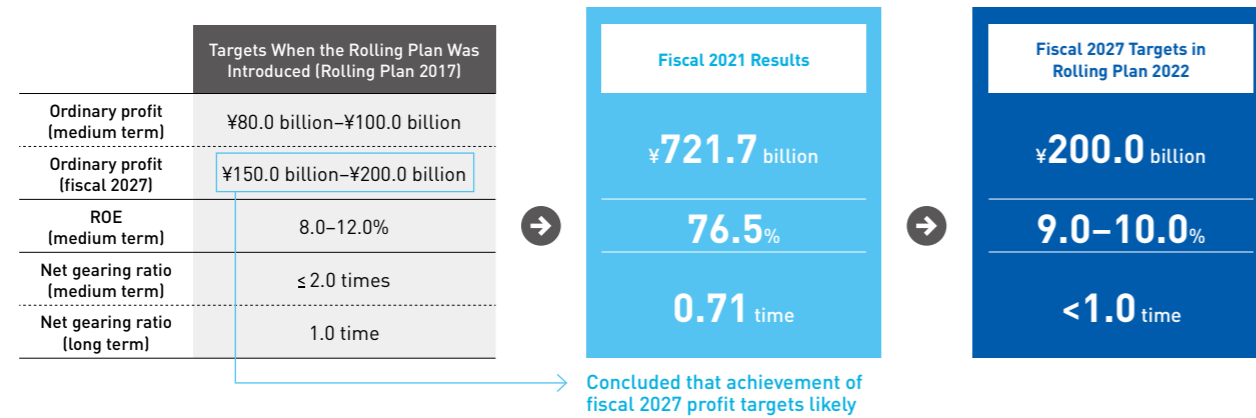


Review of the Management Plans —Achievements since Introducing the Rolling Plan

Progress since Introducing the Rolling Plan

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

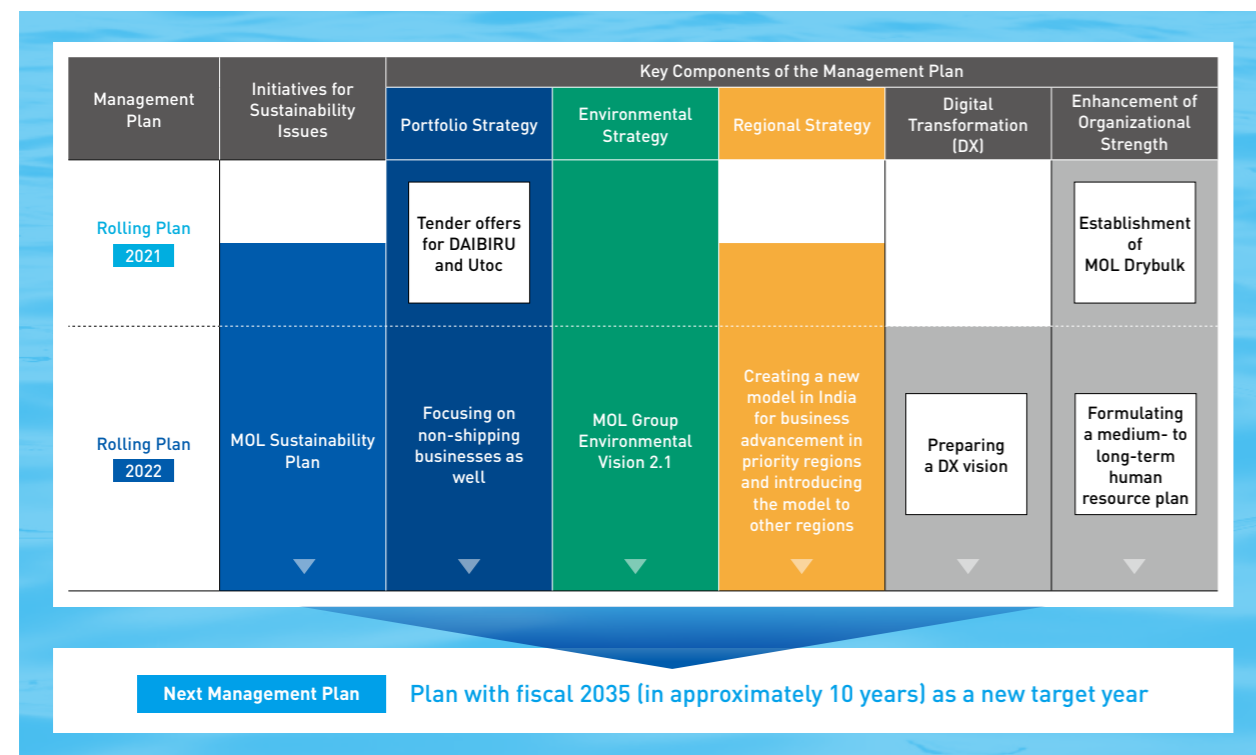
2027 profit targets was within sight, and we realized the portfolio reform and stronger market resilience initially sought. As such, we have decided that Rolling Plan 2022 will be the last management plan focused on the fiscal 2027 targets. By the beginning of fiscal 2023, we will prepare a new management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



Rolling Plan 2022—A Bridge to the Next Management Plan

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

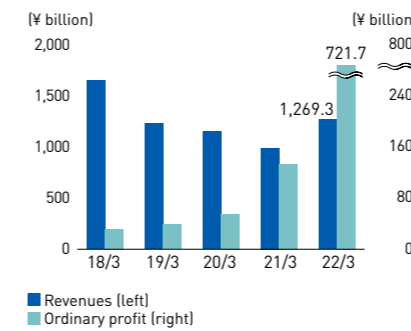
have decided to spend fiscal 2022 formulating a robust management plan that is not an extension of our previous plan and which reflects new realities. In the meantime, we will continue fiscal 2021's forward-looking measures and integrate them with the initiatives of the new plan.



Achievements since Introducing the Rolling Plan

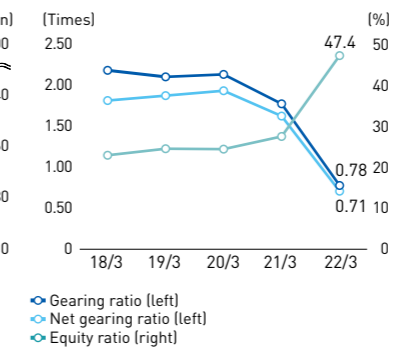
Revenues / Ordinary Profit

Fiscal 2021
Ordinary Profit **¥721.7 billion**



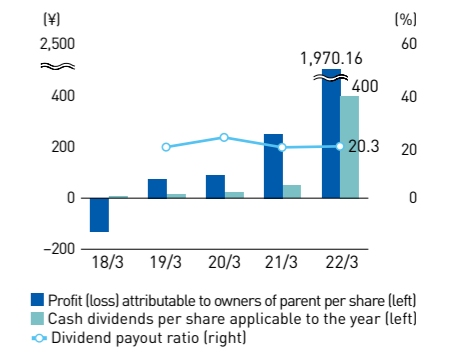
Gearing Ratio / Net Gearing Ratio / Equity Ratio

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



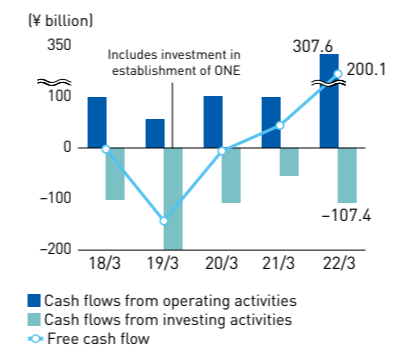
Profit (Loss) Attributable to Owners of Parent per Share / Cash Dividends per Share / Dividend Payout Ratio

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



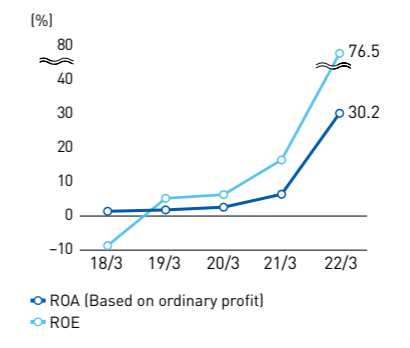
Cash Flows

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



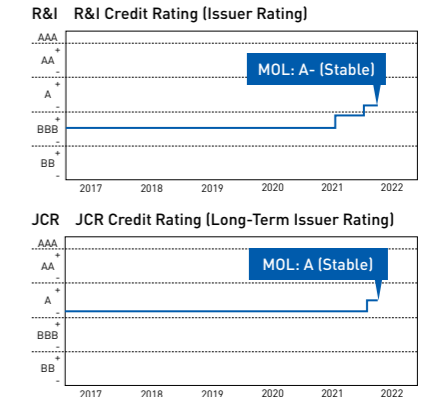
ROA / ROE

Fiscal 2021
ROE **76.5%**

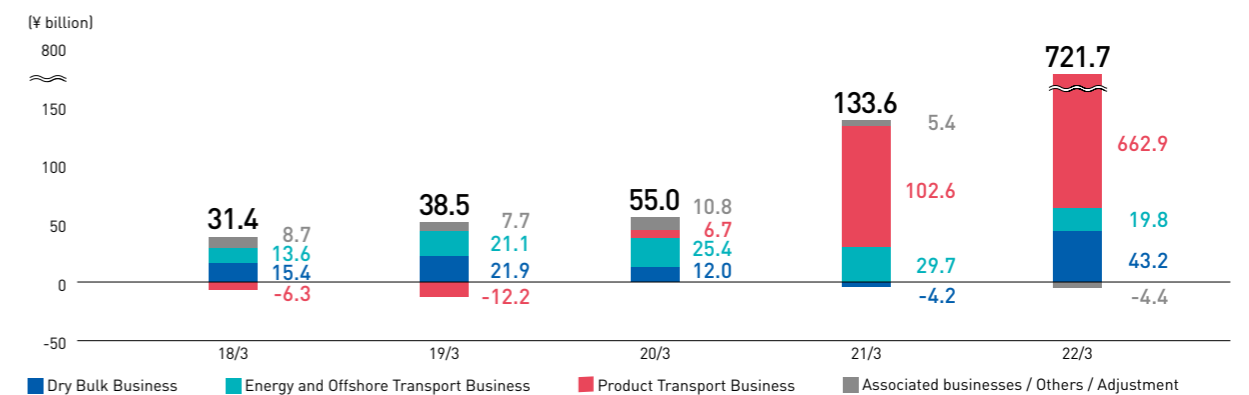


Credit Ratings

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



Ordinary Profit (Loss) by Business Segment



Theme and the Three Growth Strategies of Rolling Plan 2022

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

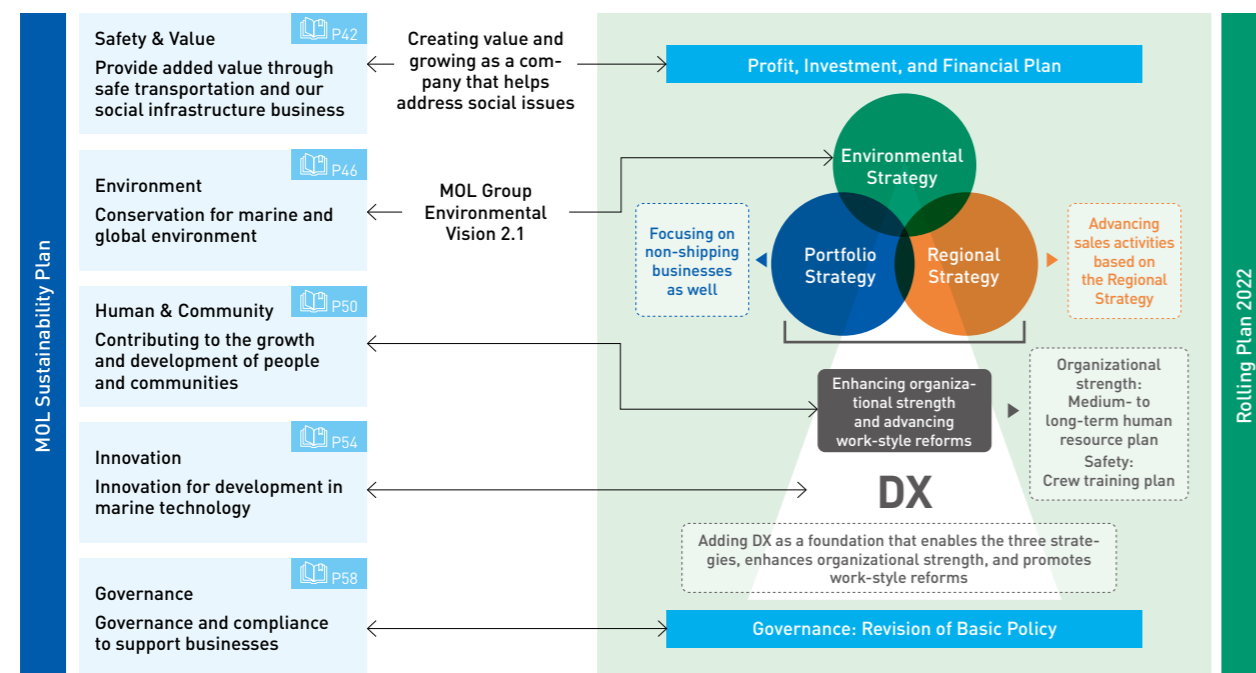
Under the Environmental Strategy, we will accelerate the initiatives set forth in MOL Group Environmental Vision 2.1. Meanwhile, the Regional Strategy will involve establishing a stronger presence in priority countries and regions by adopting an "India model" (→pages 16 to 21).



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

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

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



Rolling Plan 2022: Investment Plan

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

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

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

Breakdown of Investment from Fiscal 2022 to Fiscal 2024

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

Rolling Plan 2022: Profit Plan and Cash Flow Forecast

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

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

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

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

Portfolio Strategy

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



▶ Portfolio Strategy—Basic Aims

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

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

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

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

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

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

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

▶ Examples of Initiatives

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

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

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

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

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

Concerted Initiative Focused on Offshore Wind Power Generation-Related Businesses

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

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

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

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

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

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

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

Main Initiatives



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

Photo courtesy of Kokusai Cable Ship Co., Ltd.



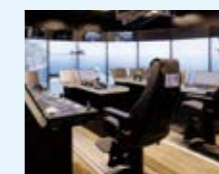
▶ **Installation of power generation equipment**
Acquisition of a stake in a company that operates five SEP vessels, which are used for the installation of offshore power generation equipment



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



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



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

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



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

Environmental Strategy

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

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



Environmental Strategy—Basic Aims

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

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

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

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

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

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

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

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

Examples of Initiatives

Introduction of ICP

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

Examples of ICP Use

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

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

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

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

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

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



Ammonia, Hydrogen, and Methanation Initiatives

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

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

Regional Strategy

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

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



Regional Strategy—Basic Aims

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

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

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

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

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

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

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

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

Examples of Initiatives

India Model: Supporting the Regional Strategy

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

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

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

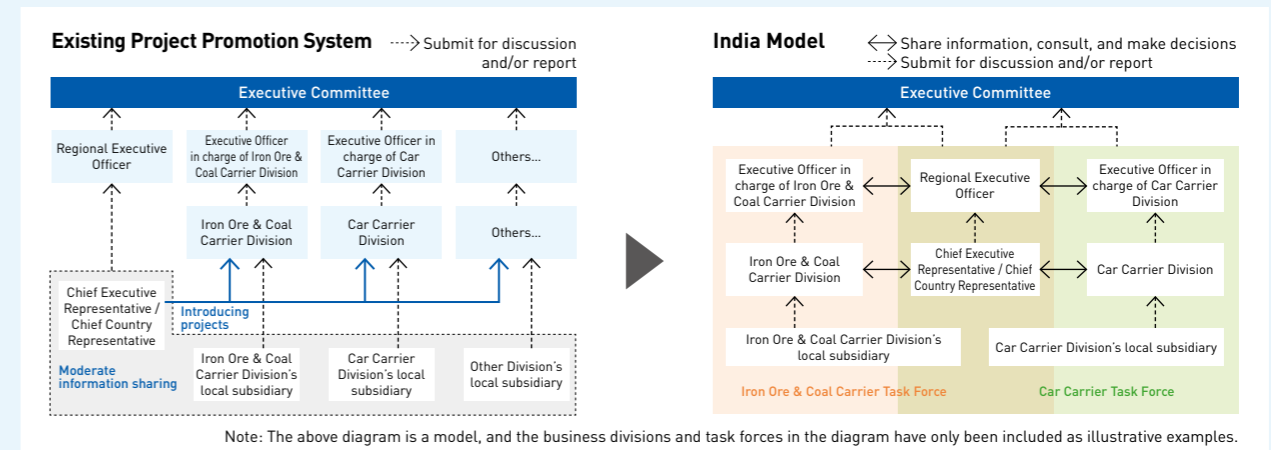
In Rolling Plan 2021, the Regional Strategy identified Asia as the Group's highest priority region. Accordingly, placing particular emphasis on developing businesses in India, we won new contracts for VLCCs and LPG carriers for Indian

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

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

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

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



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

"Lead Sprints" System

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

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

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

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

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

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

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

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

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

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

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

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

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

→ Work-Style Reform

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

→ Safety

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

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

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

Digital Transformation (DX)

→ DX Vision Workshop

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

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



A workshop tasked with preparing the MOL DX Vision

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

Corporate Governance

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

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

A Message from the CFO



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

Hisashi Umemura
Managing Executive Officer
Chief Financial Officer (CFO)

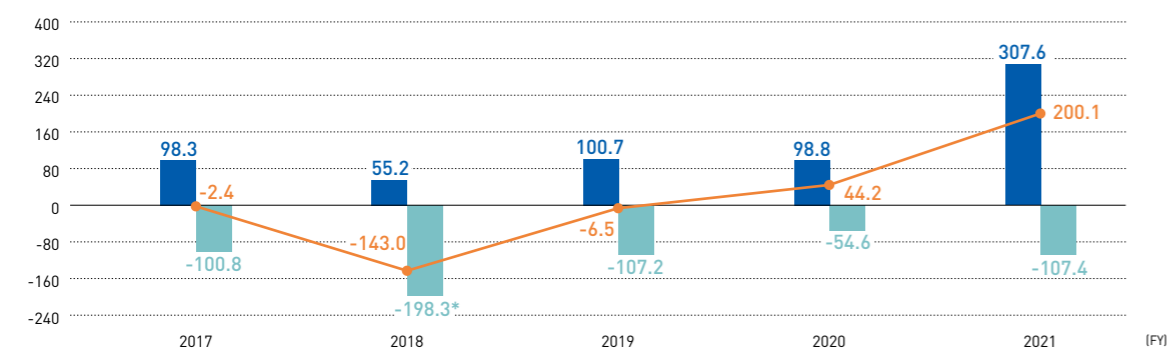
»» Fiscal 2021 Review

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

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

Cash Flows

(¥ billion)



* Includes investment in establishment of ONE

»» Investment Policy and Cash Allocation from Fiscal 2022 Onward

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

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

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

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

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

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

➤ Approach to Shareholder Returns

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

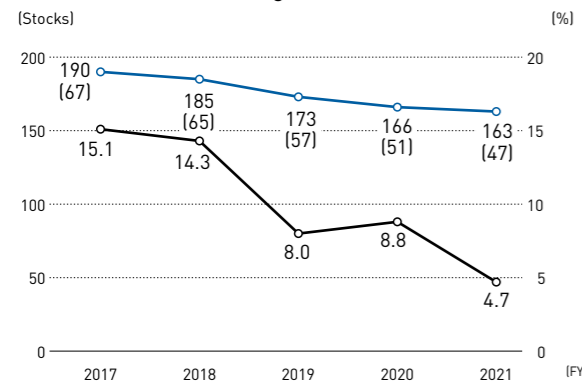
the overall direction of business management has been established, we aim to spend fiscal 2022 preparing a new management plan that looks ahead to 2035. To this end, we will continue heightening the accuracy of our analysis of the long-term business environment in light of decarbonization trends and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

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

Approach to Cross-Shareholdings

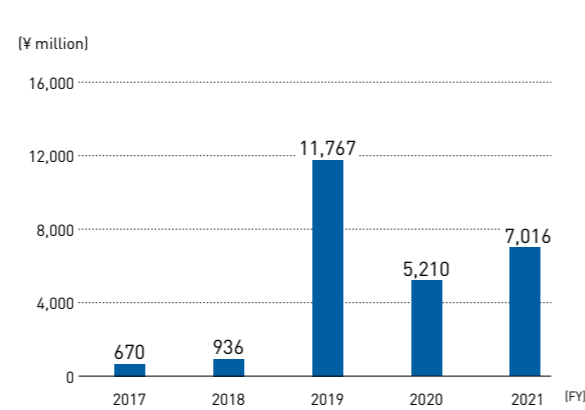
MOL holds shares in other companies for the purpose of maintaining and strengthening relationships with companies with which it has close cooperative business relationships and for the purpose of enhancing the growth and corporate value of the Company over the medium to long term. Once a year, a detailed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

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



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

Disposal of Cross-Shareholdings by Fiscal Year



Risk Management for Business Investments

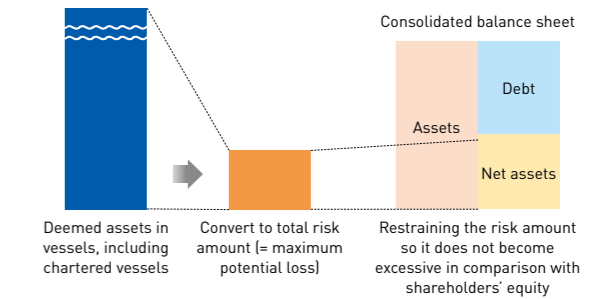
In fiscal 2014, we introduced a management approach that we now call Asset Risk Control but which until recently we referred to as Total Risk Control. Based on this approach, we have avoided excessive investment while accumulating investment projects that promise to generate returns commensurate with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

1 Framework of Asset Risk Control

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

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

Asset Risk Control

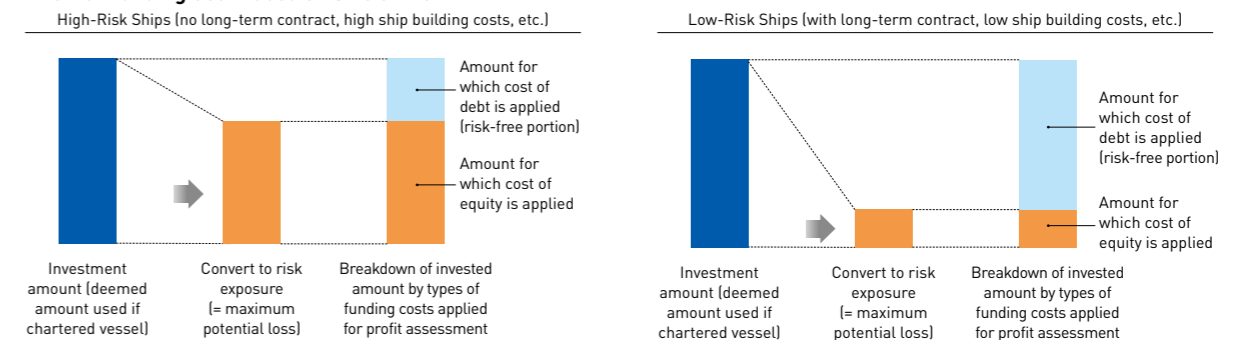


2 Asset Risk Control and Consistent Standards for New Investment Decisions

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

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

Internal Funding Cost Based on Size of Risk

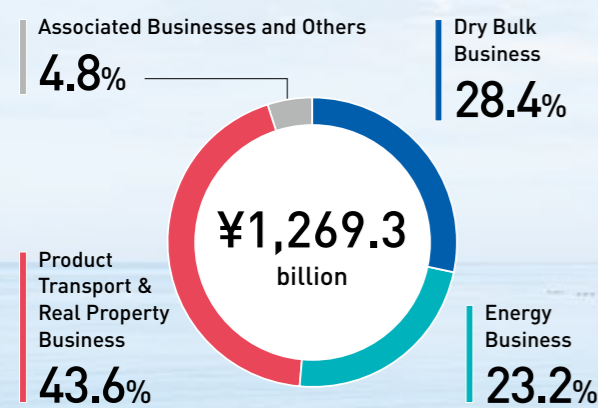


Business Overview

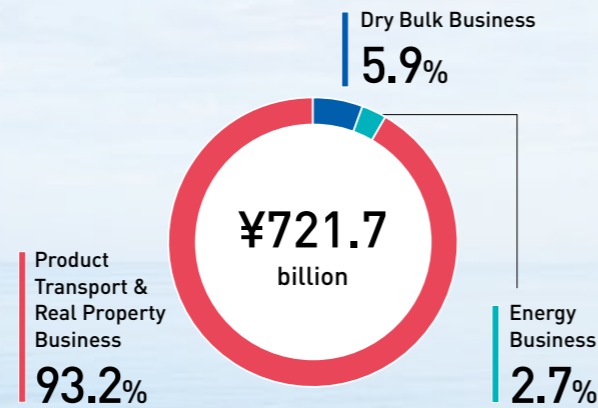
Business Headquarters Breakdown

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

Breakdown of Fiscal 2021 Revenues by Business Headquarters*1



Breakdown of Fiscal 2021 Operating Profit by Business Headquarters*1



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

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



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

Our Business Fields

Marine Transport Business

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

Offshore Businesses

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

Logistics Business

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

Terminal Business

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

Real Property Business

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

Offshore Wind Power Generation-Related Businesses

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

Clean Energy Businesses

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

Dry Bulk Business

Fiscal 2021 Achievements

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



Position and Main Differentiating Factors

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

Market Environment Analysis

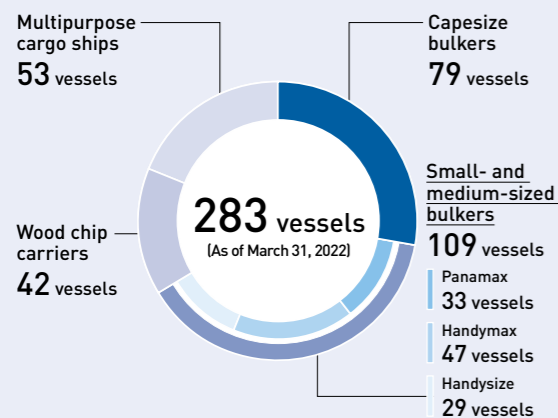
- | Opportunities |
|--|
| <ul style="list-style-type: none"> • Growing demand for transport modes that help reduce GHG emissions • Steady cargo movements in Asia, centered on China and Southeast Asia in the east and extending to India in the west; decarbonization and electrification (biomass and nonferrous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

Business Strategies

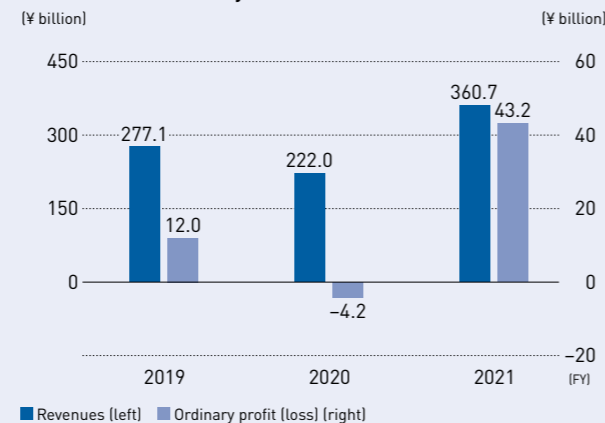
- Position MOL Drybulk at the center of a drive to capture a wide variety of transport demand
- Expand overseas customer base, particularly in Asia
- Advance environmental strategies (introduce LNG-fueled vessels and vessels equipped with the Wind Challenger hard sail system)
- Pursue customer convenience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

Highlights

Fleet Breakdown by Vessel Type



Revenues and Ordinary Profit (Loss)



MANAGEMENT MESSAGE

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

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

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

Meeting Customers' Decarbonization Needs

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

Capturing Growth in Asia

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

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

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

Advancing Initiatives to Improve Vessel Quality

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

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



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

Energy Business

Fiscal 2021 Achievements

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



Position and Main Differentiating Factors

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

Market Environment Analysis

Opportunities
Emergence of new business opportunities, such as an increase in new cargoes resulting from energy transformation triggered by decarbonization
Emergence of new resource trade due to geopolitical factors

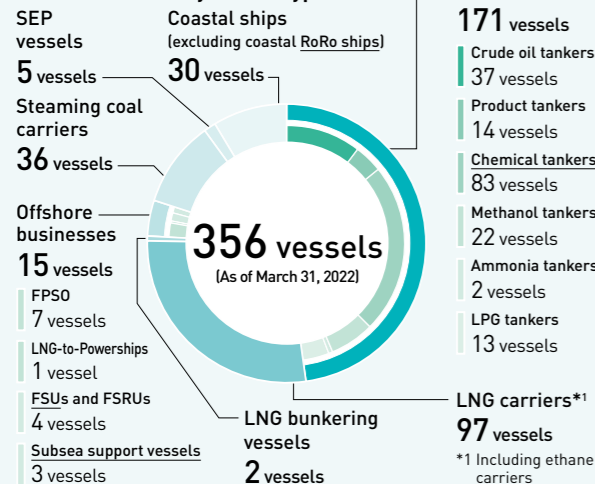
Risks
Increase in geopolitical credit risk and the formation of economic blocs
Possibility of an end to the mass consumption of energy and a contraction in resource transport over the long term

Business Strategies

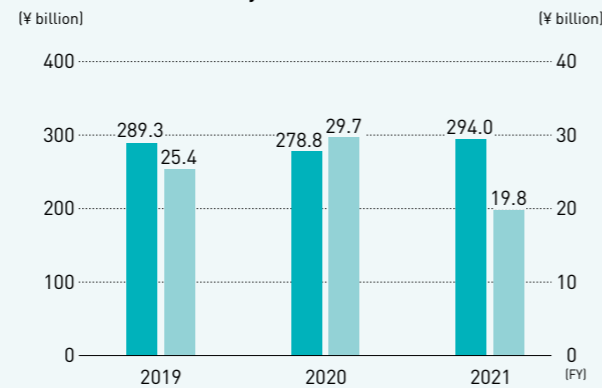
- Capture demand for the transport of LNG, which is becoming increasingly important as a transition energy
- Earn premiums through initiatives in areas beyond conventional transport, such as FPSOs, FSRUs, Powerships, and bunkering vessels
- Expand new businesses and decarbonization businesses, including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

Highlights

Fleet Breakdown by Vessel Type



Revenues*2 and Ordinary Profit



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

MANAGEMENT MESSAGE

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

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

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

New Organization

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

Businesses in Russia

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

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



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

Product Transport & Real Property Business



Fiscal 2021 Achievements

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

Position and Main Differentiating Factors

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

Market Environment Analysis

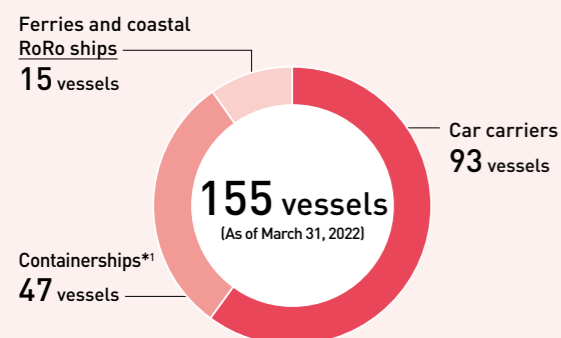
Opportunities
<ul style="list-style-type: none"> Increase in product transport demand accompanying a growing world population Normalization of product manufacturing due to recovery from the COVID-19 pandemic, as typified by automobiles Positive effect on the global economy and product demand as a result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

Business Strategies

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

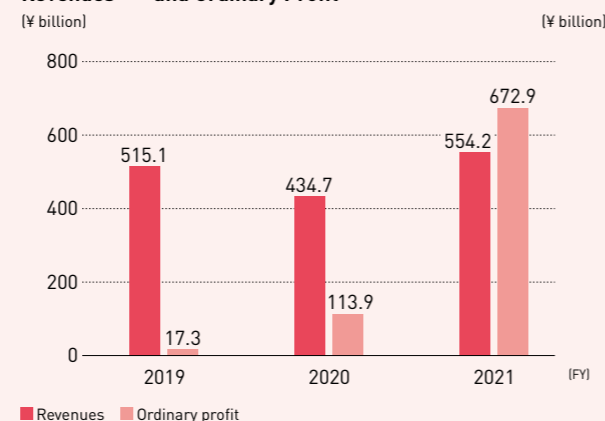
Highlights

Fleet Breakdown by Vessel Type



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

Revenues*2*3 and Ordinary Profit*3



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

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

MANAGEMENT MESSAGE

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

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

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

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

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

Pursuing Synergies among Businesses by Thinking Outside the Box

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

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

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

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

Hiroto Ushioku

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



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

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

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



The Story behind Our Overseas Expansion

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

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

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

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

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

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

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

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

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

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

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

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

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

Developing as a MOL Group Member

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

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

Evolving DAIBIRU Even Further

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

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

Hiroshi Kumada
Managing Director
Daibiru Australia Pty Ltd



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

Participating in the Carbon Business

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



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

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

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



An on-site inspection in Indonesia

Blue Carbon

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



Negative Emissions

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

// Utilize Our Frontline Capabilities

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

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

// Remain Needed by Society

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

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

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

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

Kazura Koda
Carbon Business & Project Team
Energy Business Strategy Division

