NOTICE OF CONVOCATION OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

For the Fiscal Year 2023
(From April 1, 2023 to March 31, 2024)

Mitsui O.S.K. Lines, Ltd.

[Translation for Reference and Convenience Purposes Only]

To our shareholders and investors

I would like to express my heartfelt gratitude to all of you for your ongoing support.
First let me extend my greetings as you read this Notice of Convocation of the Ordinary General Meeting of Shareholders for FY2023.

During FY2023, the energy business was strong, including chemical ships that benefitted from the strong market conditions driven by tight vessel supply and demand caused by changing trade patterns due to sanctions against Russia and ships avoiding passing through the Suez Canal. The car carrier business was also strong, supported by demand for the transport of new vehicles, despite a lower capacity utilization rate caused by crowded ports and congestion from drought in the Panama Canal. On the other hand, the containership business experienced a large year-on-year decrease caused by continuation of low freight rates driven due to increased supply of vessels and delay in recovery of consumption in Europe. However, excluding the containership business, we were able to achieve increased year-on-year sales and profits due to reasons such as weak yen.

Regarding dividends for FY2023, based on the shareholder return policy outlined in our management plan "BLUE ACTION 2035," we are planning to pay an annual dividend of ¥220 per share (¥110 as an interim dividend already paid and ¥110 as a year-end dividend).

This year, we celebrated the 140th anniversary of our founding. Since our establishment in 1884 as Osaka Shosen Kaisha, we have overcome many changes and upheavals in global conditions as well as economic crises, all the while contributing to global economic development through marine transportation. With the portfolio reforms outlined in our management plan "BLUE ACTION 2035" formulated last year as our main scenario, we will challenge ourselves to capture environmental needs starting with our energy business and to expand our offshore, real property, cruise ship and other businesses. As the conditions surrounding the MOL Group, including turmoil in the world, trends in the global economy, and changes in the global environment, grow more complex each day, we will steadily implement our management plan and work to realize sustainable growth.

For FY2024, we plan to have revenues of ¥1,800.0 billion, business profit (operating profit + equity in earnings of affiliated companies) of ¥236.0 billion, ordinary profit of ¥230.0 billion, and profit attributable to owners of parent of ¥215.0 billion.

With regard to shareholder returns, we would like to maintain the basic approach of 30% dividend payout ratio and minimum dividend of ¥150 per share as outlined in Phase 1 of our management plan from FY2023 to FY2025. Based on the profit plan and shareholder return policy mentioned above, we plan to pay an annual dividend of ¥180 per share (including an interim dividend of ¥100) for FY2024.

As a corporate group engaged in a wide range of social infrastructure businesses while preserving its history as a core industry passed down continuously since its founding, the MOL Group will continue to rise to the challenge of enhancing corporate value and providing new value by resolving sustainability issues.

We appreciate your continued understanding and support.

Takeshi Hashimoto
Representative Director
President, Chief Executive Officer

June 2024

[Translation for Reference and Convenience Purposes Only]

Securities Code: 9104

To Shareholders with Voting Rights

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

NOTICE OF CONVOCATION OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS FOR FY2023

You are hereby notified that the Ordinary General Meeting of Shareholders for FY2023 (the "Meeting") of Mitsui O.S.K. Lines, Ltd. ("MOL" or the "Company") will be held as set forth below.

1. Date and Time:	10:00 a.m., Tuesday, June 25, 2024 (Reception from 9:00 a.m.)
2. Place:	Toranomon Hills Forum, 5th floor, Toranomon Hills Mori Tower, 23-3, Toranomon 1-chome, Minato-ku, Tokyo, Japan
3. Agenda:	
Matters to Be Reported:	Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements for the Fiscal Year 2023 (From April 1, 2023 to March 31, 2024)
Proposals to Be Resolved:	
Proposal No. 1:	Appropriation of Surplus
Proposal No. 2:	Election of Nine (9) Directors
Proposal No. 3:	Election of One (1) Substitute Audit & Supervisory Board Member

[Translation for Reference and Convenience Purposes Only]

How to Exercise Your Voting Rights

There are following three methods to exercise your voting rights. Please exercise your voting rights after considering these methods.

If you wish to attend the venue of the Meeting

Date and time of the General Meeting of Shareholders: **10:00 a.m., Tuesday, June 25, 2024 (Japan standard time)**
(Reception starts at 9:00 a.m.)

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

If you wish to exercise voting rights in writing (by mail)

Deadline for exercising voting rights: **No later than 5:00 p.m. (Japan standard time), Monday, June 24, 2024 (must arrive by this time)**

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

If you wish to exercise voting rights via the Internet, etc.

Deadline for exercising voting rights: **No later than 5:00 p.m. (Japan standard time), Monday, June 24, 2024 (must be completed by this time)**

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

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

- You may exercise your voting rights through a proxy who is another shareholder holding voting rights of the Company. In this case, it is necessary for the shareholder or the proxy to submit a document to the Company proving the right of proxy.
- If a voting right is exercised both by returning a Voting Form and via the Internet, etc., only voting via the Internet, etc. will be deemed valid. If you exercise your voting rights multiple times via the Internet, etc., by using devices such as PC or smartphone, the last vote shall be deemed valid.
- If there is no indication of approval or disapproval of the proposals in the Voting Form with which voting rights have been exercised in writing (by mail), it will be treated as approval.

[Translation for Reference and Convenience Purposes Only]

How to Participate in the General Meeting of Shareholders

Livestream of the General Meeting of Shareholders via the Internet and prior submission of questions

We will livestream the Meeting via a dedicated website on the Internet (Japanese only) so that our shareholders are able to view the proceedings of the Meeting from any place. We will also accept questions from shareholders via the dedicated website prior to the Meeting.

Date and time	Livestream (Japanese only):	**10:00 a.m., Tuesday, June 25, 2024 until the end of the General Meeting of Shareholders** (The livestream screen will become viewable around 9:30 a.m.)
	Period accepting prior submission of questions:	**From Tuesday, June 4, 2024 to Friday, June 14, 2024**
How to log in the dedicated website (Japanese only)	Access the dedicated website below, and input the shareholder ID and password to log in.	
	URL:	**https://9104.ksoukai.jp**
	Shareholder ID:	**Shareholder number** printed on the Voting Form **(nine digits)**
	Password:	**Postal code** printed on the Voting Form **(seven digits without hyphen)**

Notes:

- Viewing the General Meeting of Shareholders using the livestream does not constitute attendance at the General Meeting of Shareholders under the Companies Act, and you will not be able to exercise your voting rights, etc. on the day. Please exercise your voting rights beforehand either via the Voting Form or via the Internet, etc.
- Sharing of the shareholder ID and password with others, and recording, videotaping or public disclosure, etc. of the General Meeting of Shareholders are prohibited.
- Depending on your device or Internet connection, etc., there may be problems with video or audio, or you may not be able to view on livestream.
- Shareholders will be responsible for telecommunication costs and other expenses necessary to view on livestream and submit questions.
- To respect the privacy of shareholders who attend the meeting, livestream footage will only show around chairman's and board members' seats.
- The number of letters shall not exceed 300 per question. Among the questions submitted, we intend to address those that are of particular interest to our shareholders on the day of the Meeting. Please understand that it will not be possible for us to individually respond to all questions.

[Translation for Reference and Convenience Purposes Only]

REFERENCE DOCUMENTS
FOR THE GENERAL MEETING OF SHAREHOLDERS

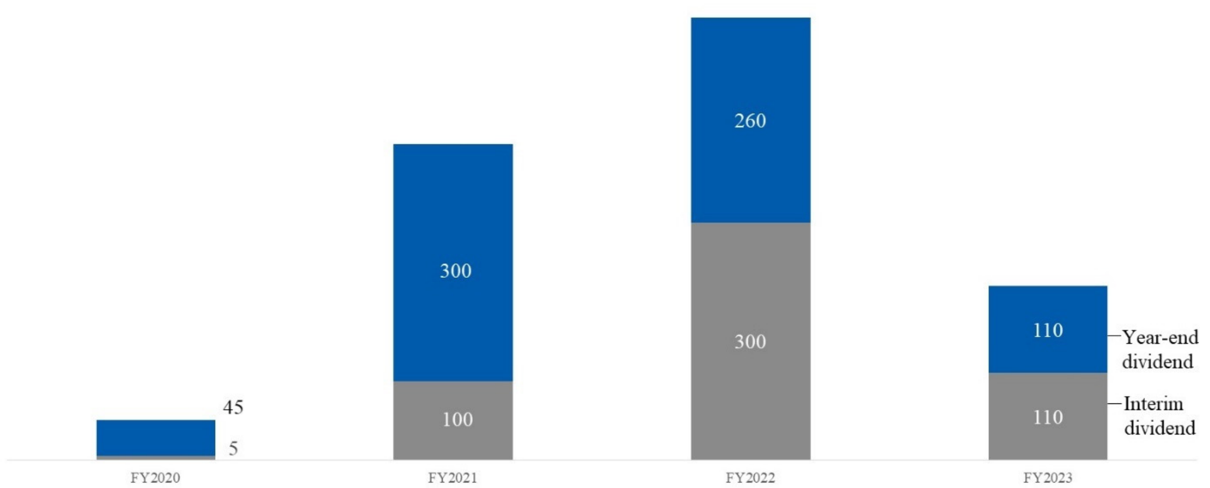
Proposal No. 1: Appropriation of Surplus

The Company's key management policies are the enhancement of corporate value with proactive business investment and the direct return of profits to shareholders through dividend payments. During Phase 1 (FY2023 to 2025) of our management plan "BLUE ACTION 2035," we have established a policy of paying dividends linked to business performance, with a dividend payout ratio of 30% as a guideline, while also setting a minimum dividend of ¥150 per share.
For FY2023, we have decided to pay a year-end dividend of ¥110 per share, a decrease of ¥150 from the previous fiscal year in accordance with these policies with a 30% dividend payout ratio as a guideline. As we have already paid an interim dividend of ¥110 per share, for FY2023, the annual dividend of the Company will be ¥220 per share, a decrease of ¥340 from the previous fiscal year.

Matters related to year-end dividend

(1) Type of dividend property
Cash
(2) Matter related to distribution of dividend property and total amount thereof
¥110 per common share of the Company Total amount: ¥39,858,926,030
(3) Effective date of distribution of surplus
June 26, 2024

Reference: Trends in dividends (Yen)



Note: On April 1, 2022, the Company executed a 3-for-1 stock split of shares of common stock. For FY2020 and FY2021, dividend per share was calculated by assuming that the share split was carried out at the beginning of FY2020.

Proposal No. 2: Election of Nine (9) Directors

The terms of office of all nine (9) directors will expire at the conclusion of this meeting. Accordingly, the Company proposes election of the following nine (9) directors.
The candidates for directors are as follows:

No.		Name	Gender (Age)	Current Positions and Responsibilities in the Company	Attendance to the Board of Directors' meetings	Nomination Advisory Committee	Remuneration Advisory Committee
1	Reappointed Non-executive	Junichiro Ikeda	Male (67)	Chairman of the Board	100% 12 of 12	○	○
2	Reappointed	Takeshi Hashimoto	Male (66)	Representative Director President, Chief Executive Officer	100% 12 of 12	○	○
3	Reappointed	Toshiaki Tanaka	Male (64)	Representative Director Executive Vice President, Executive Officer Chief Operating Officer (Corporate / Regional Organization), Director General of Headquarters of Technological & Digital Transformation, Responsible for: Promoting Diversity, Equity and Inclusion, Technology & Digital Integration Unit	100% 12 of 12		
4	Reappointed Non-executive	Junko Moro	Female (61)	Director	100% 10 of 10		
5	Newly appointed	Kazuya Hamazaki	Male (55)	Senior Managing Executive Officer Chief Financial Officer, Responsible for: Finance Division, Accounting Division, Supervisor for Corporate Communication Division (IR)	-% - of -		
6	Reappointed Outside Independent	Etsuko Katsu	Female (69)	Director	100% 12 of 12	○	○
7	Reappointed Outside Independent	Masaru Onishi	Male (69)	Director	100% 12 of 12	○	○
8	Newly appointed Outside Independent	Atsushi Toyonaga	Male (67)	-	-% - of -	○	○
9	Newly appointed Outside Independent	Yumi Yamaguchi	Female (63)	-	-% - of -	○	○

Note: The chairmen and members of the Nomination Advisory Committee and the Remuneration Advisory Committee will be officially determined at a meeting of the Board of Directors to be held after this meeting.

[Translation for Reference and Convenience Purposes Only]

Reappointed	Newly appointed	Outside	Independent	Non-executive
Candidate for reappointment as director	Candidate for new appointment as director	Candidate for outside director	Candidate for independent officer for submission to stock exchanges	Candidate for inside director who mainly supervises management and business execution, and is not responsible for business execution

Selection policy and process
The selection of candidates for the Board of Directors is based on the report from the Nomination Advisory Committee. The basic policy of the Company is to have a board composed of inside directors and several outside directors. Directors appointed from within the company should be able to contribute to the enhancement of the Group's corporate value with extensive experience, knowledge and ability, as well as being capable of making management decisions on a global basis with broad perspectives and foresight. Outside directors should be able to contribute to the enhancement of the Group's corporate value from an objective perspective based on extensive experience and knowledge in their area of expertise.

[Translation for Reference and Convenience Purposes Only]

Candidate number 1	Junichiro Ikeda	Reappointed Non-executive Date of birth July 16, 1956	**Number of the Company's Shares Held** 147,934 shares **Attendance to the Board of Directors' meetings** 12 of 12 (Attendance rate: 100%) **Number of years as Director** 11 years *as of the conclusion of this meeting

Career Summary, and Positions and Responsibilities in the Company

Apr. 1979	Joined Mitsui O.S.K. Lines, Ltd.
Jun. 2004	General Manager of Human Resources Division
Jun. 2007	General Manager of Liner Division
Jun. 2008	Executive Officer
Jun. 2010	Managing Executive Officer
Jun. 2013	Director, Senior Managing Executive Officer
Jun. 2015	Representative Director, President, Chief Executive Officer
Apr. 2021	Representative Director, Chairman Executive Officer
Apr. 2023	Chairman of the Board (to present)

<Significant concurrent positions outside the Company>

Outside Director, YAMATO HOLDINGS CO., LTD. (scheduled to assume office in June 2024)

[Reason for nomination as candidate for director]

Junichiro Ikeda had been leading management of the Group since being appointed as Representative Director, President, Chief Executive Officer in June 2015 and as Chief Executive Officer until March 2021, and has abundant experience and achievements. He has been strengthening corporate governance as Chairman of the Board since April 2021 and contributing to the highly transparent and effective operation of the Board of Directors as non-executive Chairman of the Board since April 2023. We deem that the use of his extensive experience in management and in-depth knowledge about corporate governance are necessary, and accordingly propose that he be reappointed.

Candidate number 2	Takeshi Hashimoto	Reappointed Date of birth October 14, 1957	**Number of the Company's Shares Held** 91,332 shares **Attendance to the Board of Directors' meetings** 12 of 12 (Attendance rate: 100%) **Number of years as Director** 9 years *as of the conclusion of this meeting

Career Summary, and Positions and Responsibilities in the Company

Apr. 1982	Joined Mitsui O.S.K. Lines, Ltd.
Jun. 2008	General Manager of LNG Carrier Division
Jun. 2009	Executive Officer, General Manager of LNG Carrier Division
Jun. 2011	Executive Officer
Jun. 2012	Managing Executive Officer
Jun. 2015	Director, Managing Executive Officer
Apr. 2016	Director, Senior Managing Executive Officer
Apr. 2019	Representative Director, Executive Vice President, Executive Officer
Apr. 2021	Representative Director, President, Chief Executive Officer (to present)

<Assignment>

Chief Executive Officer

[Reason for nomination as candidate for director]

Takeshi Hashimoto has demonstrated his strong leadership and decision-making ability as the head of the management team based on his abundant experience and achievements since being appointed as Representative Director, President, and Chief Executive Officer in 2021. In FY2023, as the first year of the management plan "BLUE ACTION 2025," he actively promoted investments in the energy business centering on environmental investments and the real estate business, in which stable earnings could be expected, and led laying the groundwork for further growth of the entire MOL Group and the implementation of future business portfolio transformation. We deem that the use of his extensive experience, knowledge, and ability are necessary to further strengthen our competitiveness and increase the corporate value of the MOL Group, and accordingly propose that he be reappointed.

Candidate number 3	Toshiaki Tanaka	Reappointed Date of birth April 17, 1960	**Number of the Company's Shares Held** 52,008 shares **Attendance to the Board of Directors' meetings** 12 of 12 (Attendance rate: 100%) **Number of years as Director** 4 years *as of the conclusion of this meeting

Career Summary, and Positions and Responsibilities in the Company

Apr. 1984	Joined Mitsui O.S.K. Lines, Ltd.
Jun. 2011	General Manager of Iron Ore & Coal Carrier Division
Jun. 2014	Executive Officer, General Manager of Iron Ore & Coal Carrier Division
Jun. 2015	Executive Officer
Apr. 2017	Managing Executive Officer
Jun. 2020	Director, Managing Executive Officer
Apr. 2021	Director, Senior Managing Executive Officer
Apr. 2022	Representative Director, Executive Vice President, Executive Officer (to present)

<Assignment>

Chief Operating Officer (Corporate / Regional Organization),
Director General of Headquarters of Technological & Digital Transformation,
Responsible for Promoting Diversity, Equity and Inclusion,
Technology & Digital Integration Unit

[Reason for nomination as candidate for director]

Toshiaki Tanaka has been supporting the Chief Executive Officer since being appointed as Representative Director, Executive Vice President, and Executive Officer in 2022, and as Chief Operating Officer (COO) since 2023. From April 2024, he has been pursuing the overall optimization of MOL Group management, mainly from the corporate and regional perspective. In addition, as the person responsible for promoting diversity, equity and inclusion, he has been leading the sustainability strategy of the MOL Group. Furthermore, since November 2023, as Director General of Headquarters of Technological & Digital Transformation, he has been overseeing initiatives that bring innovation to our business. We deem that his extensive experience, knowledge, and ability are necessary in our efforts to increase the corporate value of the MOL Group, and accordingly propose that he be reappointed.

Candidate number 4	Junko Moro	Reappointed Non-executive Date of birth May 31, 1963	**Number of the Company's Shares Held** 36,190 shares **Attendance to the Board of Directors' meetings** 10 of 10 (Attendance rate: 100%) **Number of years as Director** 1 year *as of the conclusion of this meeting

Career Summary, and Positions and Responsibilities in the Company

Apr. 1986	Joined Mitsui O.S.K. Lines, Ltd.
Jun. 2014	General Manager of Secretaries Office
Apr. 2017	Associate General Manager of Corporate Planning Division and General Manager of One MOL Business Strategy Execution Office, Corporate Planning Division
Apr. 2018	General Manager of Corporate Marketing Division
Apr. 2019	Executive Officer
Apr. 2021	Managing Executive Officer
Apr. 2023	Adviser
Jun. 2023	Director (to present)

[Reason for nomination as candidate for director]

Junko Moro has been involved in divisions responsible for secretaries, human resources and other corporate affairs over many years, and has experience in administration of the Nomination Advisory Committee and Remuneration Advisory Committee as General Manager of the Secretaries Office. In addition, she had contributed to formulating and promoting the human resource strategy for the entire MOL Group as Chief Human Resource Officer (CHRO) until March 2023. Since being appointed as director of the Company in 2023, in addition to her experience in participating in activities for solving important internal and external issues at business associations, she has been contributing to improving the effectiveness of the Board of Directors. We deem that her extensive experience and knowledge are necessary in our efforts to further strengthen the Company's corporate governance, and accordingly propose that she be reappointed.

Candidate number 5	Kazuya Hamazaki	Newly appointed Date of birth March 26, 1969	**Number of the Company's Shares Held** 14,511 shares **Attendance to the Board of Directors' meetings** - of - (Attendance rate: -%) **Number of years as Director** - years *as of the conclusion of this meeting

Career Summary, and Positions and Responsibilities in the Company

Apr. 1992	Joined Mitsui O.S.K. Lines, Ltd.
Apr. 2020	General Manager of LNG Carrier Division
Apr. 2021	Executive Officer
Apr. 2023	Managing Executive Officer
Apr. 2024	Senior Managing Executive Officer (to present)

<Assignment>

Chief Financial Officer,
Responsible for:
Finance Division,
Accounting Division,
Supervisor for Corporate Communication Division (IR)

[Reason for nomination as candidate for director]

Kazuya Hamazaki has been involved in the LNG Carrier business over many years. Since April 2024, he has overseen financial strategies of the entire MOL Group that conducts its business globally as Chief Financial Officer (CFO). He has also been working to promote and enhance communications with investors as the officer supervising the Corporate Communication Division (IR). We deem that his extensive experience and knowledge are necessary in our efforts to increase the corporate value of the MOL Group, and accordingly propose that he be appointed.

Candidate number 6	Etsuko Katsu	Reappointed Outside Independent Date of birth April 3, 1955	**Number of the Company's Shares Held** 32,658 shares **Attendance to the Board of Directors' meetings** 12 of 12 (Attendance rate: 100%) **Number of years as Outside Director** 8 years *as of the conclusion of this meeting

Career Summary, and Positions and Responsibilities in the Company

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

<Significant concurrent positions outside the Company>

Professor, School of Political Science and Economics, Meiji University

Chairman, Fund Management Advisory Committee, The Japan Foundation

Member, Council for Science, Technology and Innovation, Ministry of Education, Culture, Sports, Science and Technology

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

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

[Translation for Reference and Convenience Purposes Only]

Candidate number 7	Masaru Onishi	Reappointed Outside Independent Date of birth May 19, 1955	**Number of the Company's Shares Held** 10,658 shares **Attendance to the Board of Directors' meetings** 12 of 12 (Attendance rate: 100%) **Number of years as Outside Director** 5 years *as of the conclusion of this meeting

Career Summary, and Positions and Responsibilities in the Company

Apr. 1978	Joined Japan Airlines Co., Ltd.
Apr. 2009	Executive Officer, Japan Airlines International Co., Ltd. (currently Japan Airlines Co., Ltd.)
Jun. 2009	Representative Director, President, Japan Air Commuter Co., Ltd.
Feb. 2010	Trustee Representative and President, Japan Airlines International Co., Ltd. (currently Japan Airlines Co., Ltd.)
Nov. 2010	Director, Japan Airlines International Co., Ltd.
Mar. 2011	Representative Director, President, (Safety General Manager), Japan Airlines International Co., Ltd.
Apr. 2011	Representative Director, President, (Safety General Manager), Japan Airlines Co., Ltd.
Feb. 2012	Representative Director, Chairman, General Manager, Corporate Safety & Security (Safety General Manager), Japan Airlines Co., Ltd.
Apr. 2013	Representative Director, Chairman (Safety General Manager), Japan Airlines Co., Ltd.
Apr. 2014	Director, Chairman, Japan Airlines Co., Ltd.
Apr. 2018	Director, Japan Airlines Co., Ltd.
Jul. 2018	Senior Representative, External Affairs, Japan Airlines Co., Ltd.
Jun. 2019	Outside Director, TEIJIN LIMITED (to present)
Jun. 2019	Outside Director, Mitsui O.S.K. Lines, Ltd. (to present)
Jun. 2021	Outside Director, Kadoya Sesame Mills Incorporated (to present)
Jun. 2022	Outside Director, Benesse Holdings, Inc. (scheduled to resign in June 2024)

<Significant concurrent positions outside the Company>

Trustee, KEIZAI DOYUKAI (Japan Association of Corporate Executives)

Trustee, International University of Japan

Visiting Professor, Toyo University

Outside Director, TEIJIN LIMITED

Outside Director, Kadoya Sesame Mills Incorporated

Senior Advisor, Alton Aviation Consultancy Japan Co., Ltd.

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

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

Candidate number 8	Atsushi Toyonaga	Newly appointed Outside Independent Date of birth August 18, 1956	**Number of the Company's Shares Held** - shares **Attendance to the Board of Directors' meetings** - of - (Attendance rate: -%) **Number of years as Outside Director** - years *as of the conclusion of this meeting

Career Summary, and Positions and Responsibilities in the Company

Apr. 1981	Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)
Jul. 2001	Director, Aerospace and Defense Industry Division, Manufacturing Industries Bureau
Jul. 2003	Director, Corporate Affairs Division, Economic and Industrial Policy Bureau
Jul. 2007	Deputy Director-General, Minister's Secretariat (in charge of National Diet Policy and General Coordination of Policies)
Jul. 2010	Deputy Commissioner, Small and Medium Enterprise Agency
Sep. 2012	Deputy Director-General for Commerce, Distribution and Security, Minister's Secretariat
Jun. 2013	Representative Director, Senior Managing Director and General Manager, Small and Medium Enterprise Business Division, Japan Finance Corporation
Jul. 2015	Commissioner, Small and Medium Enterprise Agency
Nov. 2016	Advisor, Mizuho Bank, Ltd.
Apr. 2019	Chairman &CEO, Organization for Small & Medium Enterprises and Regional Innovation Japan

<Significant concurrent positions outside the Company>

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

Atsushi Toyonaga has been involved in promoting a wide range of fields at the Ministry of Economy, Trade and Industry, including regional revitalization, energy policy, basic industry support, promotion of foreign investment, and measures against global environmental issues. He also possesses extensive international experience. We believe that he can contribute to the growth and development of the Company by leveraging these experiences and knowledge, along with his leadership and broad perspective, and accordingly propose that he be appointed as an outside director. If he is appointed, we will seek his involvement enlisting his position of objectivity and neutrality with respect to engaging in consideration and making decisions particularly regarding selection of the Company's officer candidates and matters of officer remuneration as a member of the Nomination Advisory Committee and the Remuneration Advisory Committee.

Candidate number 9	Yumi Yamaguchi	Newly appointed Outside Independent Date of birth March 31, 1961	**Number of the Company's Shares Held** - shares **Attendance to the Board of Directors' meetings** - of - (Attendance rate: -%) **Number of years as Outside Director** - years *as of the conclusion of this meeting

Career Summary, and Positions and Responsibilities in the Company

Apr. 1983	Joined Ministry of Transport (currently Ministry of Land, Infrastructure, Transport and Tourism)
Jul. 2002	Director, Real Estate Investment Market Office, Real Estate Industry Division, Policy Bureau
Jul. 2006	Vice Governor of Okayama Prefecture
Jul. 2011	Director, International Policy Division, Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism
Aug. 2012	Senior Coordinator, Project Division, Mitsui & Co., Ltd. (Public-Private Exchange)
Jul. 2014	Senior Vice Commissioner, Japan Tourism Agency, Ministry of Land, Infrastructure, Transport and Tourism
Oct. 2015	Executive Advisor, Corporate Planning Department, Mitsui & Co., Ltd.
Apr. 2016	Executive Officer, Mitsui & Co., Ltd., President & CEO, Mitsui & Co. Global Strategic Studies Institute
Jul. 2020	Executive Officer, Mitsui & Co., Ltd., Assistant to Chief Strategy Officer and Assistant to Chief Digital Information Officer
Apr. 2023	Executive Advisor, Mitsui & Co., Ltd. (to present)

<Significant concurrent positions outside the Company>

Executive Advisor, Mitsui & Co., Ltd.

Outside Director, Nichirei Corporation (scheduled to assume office in June 2024)

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

Yumi Yamaguchi has been involved in a wide range of planning, policy-making, and organizational management at the Ministry of Land, Infrastructure, Transport and Tourism. She also possesses knowledge and experience in real estate securitization from her role as Director of Real Estate Investment Market Office at the ministry. In addition, she played an active role at Mitsui & Co., Ltd. in various fields as the head of the research division, including analyzing the global business environment, examining sustainability issues, and formulating and implementing a comprehensive digital transformation strategy. We believe that her extensive experience and knowledge will contribute to the Company's sustainable growth, creation of social value, and the maintenance and strengthening of corporate governance, and accordingly propose that she be appointed as an outside director. If she is appointed, we will seek her involvement enlisting her position of objectivity and neutrality with respect to engaging in consideration and making decisions particularly regarding selection of the Company's officer candidates and matters of officer remuneration as a member of the Nomination Advisory Committee and the Remuneration Advisory Committee.

It should be noted that although she concurrently serves as Executive Advisor to Mitsui & Co., Ltd., one of the Company's business partners, her nomination as a candidate for Director is based on her own experience and knowledge, and not due to any special interest with Mitsui & Co., Ltd.

Notes:

1. The name Yumi Yamaguchi (山口　裕視) in her family register is Yumi Yamaguchi (山口　由美) (The Chinese characters used on her name here are different from the Chinese characters used on her name in her family register. There is no change to the English spelling of her name.)
2. No special interests exist between any of the director candidates and the Company.
3. Pursuant to the provisions of Article 430-3, paragraph (1) of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company. Overall details of the insurance policy are as stated in the Business Report on page 57 of this document. The respective director candidates all shall remain or newly be listed as insured parties under the insurance policy, subject to approval of their appointments. The Company intends to renew the insurance policy with the same content during their term of office.
4. The Company has entered into an indemnification agreement set forth in Article 430-2, paragraph (1) of the Companies Act with every director, under which the Company will cover the expenses set forth in Article 430-2, paragraph (1), item (1) of the Companies Act and the loss set forth in item (2) of the same paragraph within the extent stipulated by laws and regulations. Overall details of the insurance policy are as stated in the Business Report on page 56 of this document. The Company intends to continue the indemnification agreements with the reappointed candidates if their reelection as directors is approved. The Company plans to enter into the same

indemnification agreement with the newly appointed candidates, Kazuya Hamazaki, Atsushi Toyonaga, and Yumi Yamaguchi, if their election as directors is approved.

5. Among the above candidates, Etsuko Katsu, Masaru Onishi, Atsushi Toyonaga, and Yumi Yamaguchi are candidates for outside directors stipulated in Article 2, paragraph (3), item (7) of the Regulation for Enforcement of the Companies Act. Each candidate for outside director satisfies the requirements for independent officer stipulated under the regulations of the Tokyo Stock Exchange, as well as the requirements for independence stipulated under the Company's "Independence Criteria for Outside Officers" (pages 18 and 19). The Company has appointed Etsuko Katsu and Masaru Onishi as independent officer stipulated under the regulations of the Tokyo Stock Exchange, and has notified the exchanges. If their reelection as outside directors are approved, the Company intends to continue to appoint them as independent officers. If the election of Atsushi Toyonaga and Yumi Yamaguchi as outside directors are approved, the Company will appoint them as independent officers stipulated under the regulations of the Tokyo Stock Exchange, and notify the matter to the Exchange.
6. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into liability limitation agreements with Etsuko Katsu and Masaru Onishi which limit the amount of their liability under Article 423, paragraph (1) of the Companies Act to the aggregate of the amounts specified in items of Article 425, paragraph (1) of the Companies Act, if they perform their duties in good faith and without gross negligence. If their reelections as outside directors are approved, the Company intends to continue the liability limitation agreements with them. If the election of Atsushi Toyonaga and Yumi Yamaguchi as outside directors are approved, the Company plans to enter into the same liability limitation agreement with them.

[Translation for Reference and Convenience Purposes Only]

Proposal No. 3: Election of One (1) Substitute Audit & Supervisory Board Member

Based on the provisions of Article 329, paragraph (3) of the Companies Act, election of one (1) substitute audit & supervisory board member is proposed in preparation for lacking a quorum of audit & supervisory board members.
The Audit & Supervisory Board has given its consent to this proposal.
The candidate for substitute audit & supervisory board member is as follows:

Hiroshi Sugiyama

Outside

Independent

Date of birth
January 21, 1966

Number of the Company's Shares Held
– shares

Career Summary

Oct. 1989	Joined Chuo Audit Corporation (currently PricewaterhouseCoopers Japan LLC)
Sep. 1995	Established Sugiyama and Associates (to present)
Jun. 1996	Registered as a certified public tax accountant
Oct. 2012	Outside Auditor, P&P Holdings Co., Ltd. (currently Persol Marketing Co., Ltd.)
Jun. 2017	Outside Director (Audit and supervisory committee member), Ai, Inc. (to present)

<Significant concurrent positions outside the Company>

Director (certified public accountant), Sugiyama and Associates

Outside Director (Audit and supervisory committee member), Ai, Inc.

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

Hiroshi Sugiyama has many years of experience as a certified public accountant and extensive knowledge related to accounting although he does not have past experience in becoming directly involved in corporate management other than having served as an outside officer. If he is appointed as an audit & supervisory board member, we believe that he will use these experience, knowledge and ability in the Company's auditing system and carry out his duties as an outside audit & supervisory board member competently from a position of objectivity and fairness. We therefore propose that he be appointed as a substitute outside audit & supervisory board member.

Notes:

1. No special interests exist between Hiroshi Sugiyama and the Company.
2. Pursuant to the provisions of Article 430-3, paragraph (1) of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company. Overall details of the insurance policy are as stated in the Business Report on page 57 of this document. Hiroshi Sugiyama shall be listed as an insured party under the insurance policy, subject to his appointment to the position of outside audit & supervisory board member. The Company intends to renew the insurance policy with the same content during his term of office.
3. On Hiroshi Sugiyama's assumption of office as an outside audit & supervisory board member, the Company plans to enter into an indemnification agreement with Hiroshi Sugiyama, under which the Company will cover the expenses set forth in Article 430-2, paragraph (1), item (1) of the Companies Act and the loss set forth in item (2) of the same paragraph within the extent stipulated by laws and regulations. Overall details of the insurance policy are as stated in the Business Report on page 56 of this document.
4. Hiroshi Sugiyama is a candidate for outside audit & supervisory board member stipulated in Article 2, paragraph (3), item (8) of the Regulation for Enforcement of the Companies Act. It is proposed that he be elected as a substitute outside audit & supervisory board member. He satisfies the requirements for independent officer stipulated under the regulations of the Tokyo Stock Exchange, as well as the requirements for independence stipulated under the Company's "Independence Criteria for Outside Officers" (pages 18 and 19). If he assumes his office as an outside audit & supervisory board member, the Company will appoint him as an independent officer stipulated under the regulations of the Tokyo Stock Exchange, and notify the matter to the Exchange.
5. On Hiroshi Sugiyama's assumption of office as an outside audit & supervisory board member, pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company intends to enter into an agreement with Hiroshi Sugiyama, which will limit his liability as set forth in Article 423, paragraph (1) of the Companies Act to the total of the amounts set forth in items of Article 425, paragraph (1) of the Companies Act, if he performs his duties in good faith and without gross negligence.

[Translation for Reference and Convenience Purposes Only]

Independence Criteria for Outside Officers

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Company positions the skills matrix as a framework for the experience, knowledge and capability (hereinafter “Experience, etc.”) that the Board of Directors should possess, and has selected five (5) items in “Experience, etc. considered important for corporations” that are universal to corporate management, and four (4) items in “Experience, etc. considered important for corporations supporting social infrastructure” that the Company believes should be particularly important in the management of the MOL Group. “Human resources/Diversity,” a fundamental component of sustainability, was included as an item that is universally applicable to corporate management. Furthermore, as priority items for the Company’s management, in addition to “Marketing/Business strategy” and “Global business,” which are backed by the Company’s knowledge in the growth areas of energy transport and international logistics designated in the management plan, we have included “Safety,” which is the most important foundation for business, and “Technology,” which is an essential area for the future growth of the Company in terms of decarbonization of business activities, safe and efficient operation of vessels, and Digital Transformation (DX), etc. In order to fully demonstrate its governance function, the Board of Directors will adequately maintain the Experience, etc. and will continue to review the Experience, etc. in accordance with the changes in the business environment. In addition, training opportunities will be provided for directors and audit & supervisory board members, and advisors (including the use of Advisory Board) will be appointed to supplement the Experience, etc. as necessary. For information on the Advisory Board, please refer to page 41 of the Business Report.
The following shows the experience, etc. of directors and audit & supervisory board members if Proposal No. 2 “Election of Nine (9) Directors” is approved and adopted as originally proposed.

		Experience, etc. considered important for corporations					Experience, etc. considered important for corporations supporting social infrastructure			
		Corporate management	Finance/ Accounting	Legal affairs /Risk management	ESG	Human resources/ Diversity	Safety	Technology	Marketing/ Business strategy	Global business
Junichiro Ikeda	Director	●		●	●	●	●		●	●
Takeshi Hashimoto	Representative Director	●	●	●	●	●	●		●	●
Toshiaki Tanaka	Representative Director	●			●	●	●	●	●	●
Junko Moro	Director				●	●	●		●	
Kazuya Hamazaki	Director		●	●			●		●	●
Etsuko Katsu	Outside Director		●		●	●				●
Masaru Onishi	Outside Director	●					●	●	●	
Atsushi Toyonaga	Outside Director	●		●					●	●
Yumi Yamaguchi	Outside Director	●			●			●	●	
Masanori Kato	Full-time Audit & Supervisory Board Member			●		●	●	●		
Yutaka Hinooka	Full-time Audit & Supervisory Board Member		●	●			●		●	●
Satoru Mitsumori	Outside Audit & Supervisory Board Member	●		●	●	●				
Fumiko Takeda	Outside Audit & Supervisory Board Member		●	●	●	●				●

[Translation for Reference and Convenience Purposes Only]

[Reference] Approaches to Corporate Governance

Basic Concept of Corporate Governance

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

Based on this understanding, the MOL Group has put together the "MOL Group Three Basic Principles of Corporate Governance" as follows, which we consider universally important as our basic approach to corporate governance and action guidelines for all stakeholders, including shareholders, investors, customers, and employees. The MOL Group has also formulated the MOL Group Corporate Governance Policy, which systematizes specific policies based on the ethos of the Basic Principles.

<MOL Group Three Basic Principles of Corporate Governance>

Article 1 (Framework and Operation)

Based on the MOL Group Corporate Mission, the MOL Group Vision, and the MOL Group Values, Code of conducts (MOL CHARTS), we, the MOL Group, grow globally by enhancing corporate governance and leveraging the collective strengths of the MOL Group.

Article 2 (System)

We, the MOL Group, have established a highly effective corporate governance system befitting a strong and resilient corporate group that is growing globally to increase corporate value over the medium and long term.

Article 3 (Dialogue)

We, the MOL Group, provide new value through highly transparent dialogue with all of our stakeholders, including shareholders, investors, employees and customers.

In addition, we see Governance (governance and compliance to support businesses) as one of the "sustainability issues" (materiality) identified as important for our group to achieve sustainable development together with society through the realization of our Group vision. We are actively and continuously working to enhance corporate governance based on the belief that the implementation of the management plan (BLUE ACTION 2035), supported by the ethos of the MOL Group Corporate Mission and the MOL Group Values (MOL CHARTS), will lead to the resolution of sustainability issues, which in turn will not only enhance corporate value, but also realize the Group's vision.

MOL Corporate Governance Organizational Structure

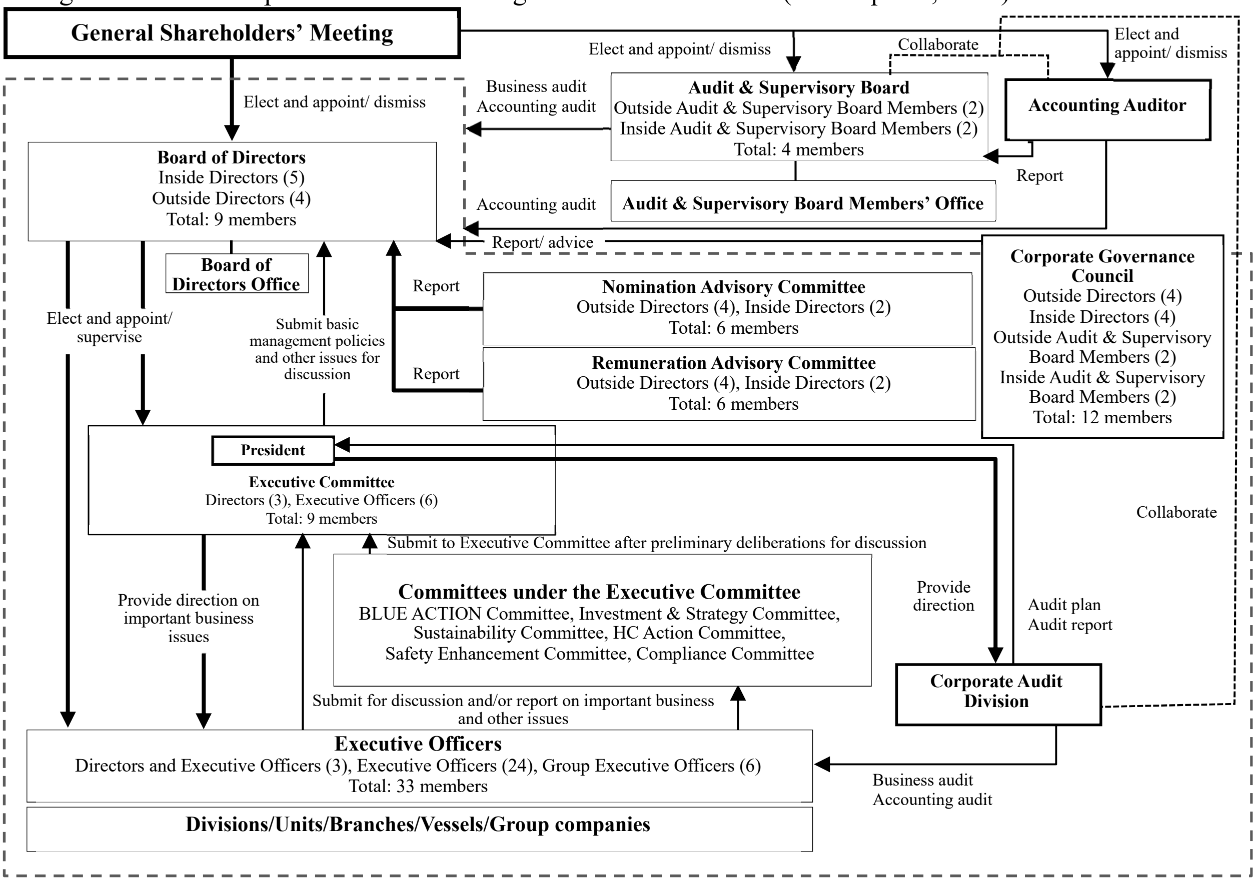
The Board of Directors of the Company is the highest management executive and supervisory organ, in which independent outside directors and non-executive inside directors take up 2/3 of its members and three out of five inside directors also serve as executive officers and which carries out effective supervisory functions and high-level strategy deliberation functions (The figures are as of April 1, 2024.). The Company also secures the audit function of the Audit & Supervisory Board, which is independent from the Board of Directors, and is a company with an Audit & Supervisory Board as prescribed in the Companies Act. We believe that, by ensuring effective supervisory functions and strategy deliberation functions by the Board of Directors and audit functions by the Audit & Supervisory Board, the Company has an institutional design that is appropriate for achieving legality, appropriateness, and efficiency of business operations, and will continue working on strengthening our governance.

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

We also believe that the true worth of the MOL corporate governance structure will not be achieved through the existence of the framework and organization constructed as described above. Instead, the true worth of the MOL corporate governance structure will result from whether the framework is functioning properly and effectively as described on pages 22 to 26.

[Translation for Reference and Convenience Purposes Only]

<Diagram of MOL Corporate Governance Organizational Structure> (as of April 1, 2024)



Board of Directors

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

The Board of Directors consists of five (5) inside directors (as of April 1, 2024, including two (2) non-executive directors) and four (4) outside directors (as of April 1, 2024), who hold no interest in MOL. Outside directors play a major role in vitalizing the Board of Directors by checking the reasonableness of management decisions and of the status of business execution based on their respective experience and knowledge from an independent standpoint without an interest in the Company and expressing useful opinions on overall management. We have developed a supporting system for outside directors whereby agenda at the Board of Directors' meetings are explained in advance and inspections of domestic and overseas business offices, as well as the execution of important businesses, are reported to them each time. In addition, the Board of Directors also conducts "Deliberation on Corporate Strategy and Vision" sessions during which inside and outside directors and audit & supervisory board members exchange opinions freely on management strategies, the long-term vision and other important topics related to overall management. In addition to the "Deliberation on Corporate Strategy and Vision," the "Deliberation on Sustainability" will be newly held starting from FY2024 to strengthen the involvement of the Board of Directors in reviewing sustainability management policies and strategies.

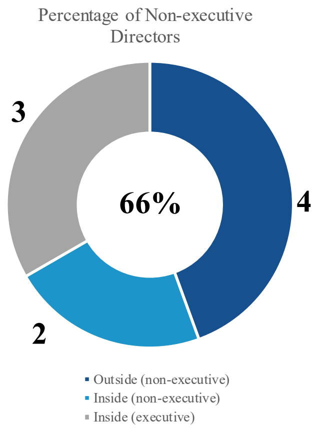
The Board of Directors meets regularly about 10 times a year at appropriate intervals to formulate management plans, decide on major investments, approve budgets for each fiscal year, approve quarterly financial results, and make decisions on strengthening corporate governance, among others.

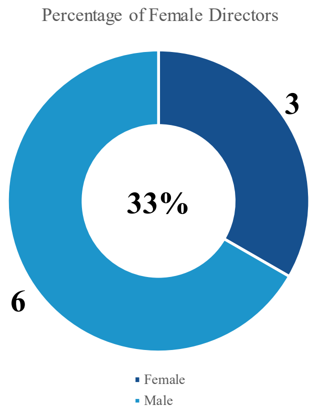
[Translation for Reference and Convenience Purposes Only]

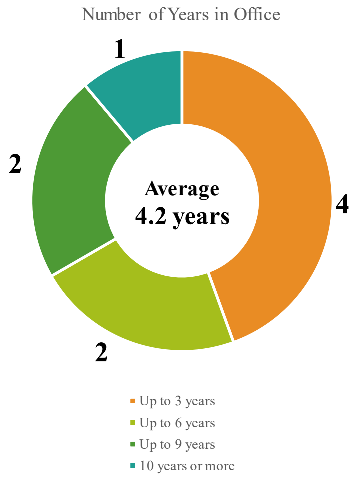
FY2023 “Deliberation on Corporate Strategy and Vision”: Main Agenda Items

	Agenda
April	Company-wide risk management deepening project Geopolitical risks
May	Progress monitoring of management plan
July	BLUE ACTION 2035 management plan monitoring
August	Company-wide risk management deepening project Decoupling (diversification) scenario
September	Progress of regional strategies
November	Review of BLUE ACTION 2035 1H
January	Super Megatrend Project 2024

Composition of Board of Directors (Planned Composition if Proposal No. 2 Is Approved and Adopted as Originally Proposed)







Nomination Advisory Committee and Remuneration Advisory Committee
MOL has established the Nomination Advisory Committee and the Remuneration Advisory Committee as arbitrary organizations under the Board of Directors. For making the outside directors supervise the executive directors more effectively, both committees are chaired by outside directors and are composed of all four (4) outside directors, the Chairman and the President, so that the majority are outside directors.
The Nomination Advisory Committee deliberates on the election, appointment and dismissal of directors and executive officers, as well as the necessary criteria for their determination and proposals for the next President based on the succession plan (including reappointment and dismissal of the incumbent President), thereby increasing the objectivity and transparency of the processes.
The Remuneration Advisory Committee appropriately reviews the remuneration plan for directors and executive officers, and determines appropriate levels of remuneration for directors, including incentives for long-term enhancement of corporate value from an objective standpoint, while putting a high priority on the “stakeholders’ perspective.”
In addition to the committee members, the outside audit & supervisory board members may also attend meetings of the respective committees in order to gain an understanding of the deliberation process and provide their opinions. The Board of Directors respects the contents of reports from both Advisory Committees and uses them to pass necessary resolutions.

Main Agenda Items for Review by the Advisory Committees (FY2023)

Nomination Advisory Committee (held seven times in total)	Remuneration Advisory Committee (held seven times in total)
・ Board succession plan; ・ Requirements for the next President and measures to develop the next generation of executive candidates; ・ Election of directors and executive officers for FY2024; and other matters	・ Inclusion of Core KPIs from the BLUE ACTION 2035 management plan in the remuneration plan for directors; ・ Single fiscal year performance-based compensation for directors in FY2023 and long-term target contribution-based compensation; ・ Peer group review to ensure the appropriateness of remuneration levels; and other matters

Corporate Governance Council

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

Main Agenda Items for Review by the Corporate Governance Council (FY2023, held five times in total)

・ Review of BLUE ACTION 2035 management plan ・ Roles of Audit & Supervisory Board ・ The Company’s ESG ratings, and other matters

Succession Planning

The Company has drawn up President and CEO (hereinafter collectively referred to as "President" for the purpose of this section) succession plans consisting of the position's requirements, selection process, and plan for training successor candidates, with the aim of selecting a President who is appropriate for the Company.

In FY2023, based on said plan, the Nomination Advisory Committee deliberated on the requirements for the next President and the measures to develop the next generation of executive candidates.

Evaluation of Effectiveness of Board of Directors

The Board of Directors annually conducts a questionnaire survey, including self-evaluation by each director and audit & supervisory board member, regarding the agenda and deliberations of the Board of Directors and its subordinate committees, the Nomination Advisory Committee, Remuneration Advisory Committee and Corporate Governance Council, the contribution of each member, and the effectiveness of their operations, etc. It then analyzes and evaluates the effectiveness of the Board of Directors as a whole, identifies issues and examines measures for improvement, and discloses a summary of the results.

In FY2023, we received responses from all directors and audit & supervisory board members in the form of a self-questionnaire in February 2024, and in April 2024, the Corporate Governance Council evaluated and analyzed the effectiveness of the Board of Directors, identified issues, and formulated improvement measures. A summary of the results will be disclosed in the Corporate Governance Report.

Business Execution System

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

In FY2023, we introduced the Chief Officer system to oversee the Group's corporate functions across the board and provide strong support for integrated and strategic initiatives. Each Chief Officer is delegated with a portion of the authorities and responsibilities of the President (CEO), and is tasked with directing and controlling not only the Company (headquarters), but also the entire MOL Group in specific cross-functional areas. Additionally, the three axes, which consist of corporate organizations which are overseen by Chief Officer, business organizations which are overseen by Director General of business headquarters, and regional organizations which are overseen by Regional Executive Officer, are cross-functional structure in which the three axes coordinate and cooperate with each other and appropriately keep each other in check. Through this structure, we aim to strike the right balance between the centralization and decentralization of authority in the management of our group, as well as promote more flexible business operations and improve group governance.

Auditing System

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

Outside Officers

All six (6) of the Company's outside officers (four (4) outside directors and two (2) outside audit & supervisory board members) fulfill the Company's unique "Independence Criteria for Outside Officers."

All four (4) outside directors fulfill their role to strengthen the function of Board of Directors regarding its management decisions and supervision by providing advice regarding the Company's overall management from an independent standpoint based on their extensive experience and knowledge in their respective areas of expertise. The outside directors gain a deeper understanding of the MOL Group's businesses by attending meetings of the Board of Directors, the Corporate Governance Council, the Nomination Advisory Committee and the Remuneration Advisory Committee as well as through discussions regarding management issues with the executive officers, discussions with employees, and inspections of overseas business offices.

The two (2) outside audit & supervisory board members have in-depth knowledge and insight as specialists in law and accounting and have a role in strengthening the Company's audit structure from an independent position. In addition to attending Board of Directors' meetings and Audit & Supervisory Board's meetings, the outside audit & supervisory board members interview inside directors, exchange opinions with outside directors, carry out discussions with executive officers about management issues, and incorporate the knowledge gained from them in their duties as outside audit & supervisory board members.

In order to ensure that outside directors and outside audit & supervisory board members can sufficiently fulfill their expected roles, the Company has entered into liability limitation agreements with each of the four (4) outside directors and two (2) outside audit & supervisory board members, which limit their liability to the total of the amounts specified in each item of Article 425, paragraph (1) of the Companies Act, in the event that they fail to perform their duties as a director or audit & supervisory board member and cause damage to the Company, provided that they have performed their duties in good faith and without gross negligence.

[Translation for Reference and Convenience Purposes Only]

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

BUSINESS REPORT

(From April 1, 2023 to March 31, 2024)

I. Matters Concerning the Present State of the Group

1. Business Progress and Results

■ Business environment

The rate of global economic growth in the fiscal year under review fell below that of the previous fiscal year against the backdrop of persistent inflation and monetary tightening originating with the COVID-19 pandemic among other things. However, economic trends of countries were not uniform. While the European economy stagnated due to depressed consumption and investment, the U.S. economy has remained strong, supported by a strong labor market. The Chinese economy rebounded with the lifting of the government's zero-COVID policy, but the depressed real estate market, weak external demand and other factors made the rebound short-lived. Meanwhile, heightened geopolitical risk has had a large impact on global maritime shipping, with Russia's prolonged attack on Ukraine, the conflict between Israel and Palestine, and the attacks on commercial vessels in the Red Sea by Houthi rebels. On the issue of climate change, each country and company are required to take more proactive decarbonization measures after the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28) included "transitioning away from fossil fuels" for the first time in its outcome document, in addition to expanding the goals for renewable energy among other things.

■ FY2023 Results

Amid this environment, year-on-year profits declined in the containership business due to decreased freight rates. However, the Company was still able to secure stable profits due to strong results in the car carrier business and the energy business as well as the contribution of yen depreciation.

In the dry bulk business, vessel supply-and-demand was tight due to reasons such as the drought in the Panama Canal in the second half of the fiscal year and the impact of ships avoiding passing through the Suez Canal, but the market was not as strong as the previous fiscal year, and year-on-year profit declined.

Within the energy business, year-on-year profits increased in the tanker business, which benefited from strong market conditions resulting from, among others, changing trade patterns for different vessel types caused by sanctions against Russia and the impact of ships avoiding passing through the Suez Canal. The FPSO business also enjoyed increased year-on-year profits due to the start of new contracts. The LNG carrier business secured profits on par with the previous fiscal year due to existing long-term charter contracts and securing new contracts. Among the LNG infrastructure businesses, the FSRU business experienced decreased year-on-year profits due to changes in the input destinations of existing ships among other things. Finally, the powership business secured stable profits.

Within product transport business, the containership business operated by Ocean Network Express (ONE), an equity-method affiliate of the Company, saw a large decline in profit compared to the previous fiscal year amid consistently low freight rates due to increased supply caused by deliveries of many new ships among other things. The port projects & logistics business also experienced a decline in year-on-year profits due to decreased container handling among other things. The car carrier business enjoyed year-on-year profit growth as demand for the transport of new vehicles remained strong throughout the year.

The wellbeing & lifestyle business enjoyed improved results from the previous fiscal year in its real property business, ferries and coastal RoRo ships business, and cruise business.

The average US$/JPY exchange rate during FY2023 depreciated by ¥8.76 year on year to ¥143.43. The average bunker price (average price for all major fuel grades) during the same period fell by US$125/MT year on year to US$621/MT.

As a result of the above, we recorded revenue of ¥1,627.9 billion, an operating profit of ¥103.1 billion, an ordinary profit of ¥258.9 billion (a decrease of ¥552.6 billion from the previous fiscal year) and profit attributable to owners of parent of ¥261.6 billion. These results exceeded the profit targets set for FY2025 in the management plan "BLUE ACTION 2035," and investments in FY2023 were decided and implemented steadily according to the plan.

(¥ billion)

Category	FY2020	FY2021	FY2022	FY2023
Revenues	991.4	1,269.3	1,611.9	1,627.9
Operating profit (loss)	(5.3)	55.0	108.7	103.1
Business profit (Operating profit + equity in earnings of affiliated companies)	127.6	712.3	777.1	195.0
Ordinary profit	133.6	721.7	811.5	258.9
Profit (loss) attributable to owners of parent	90.0	708.8	796.0	261.6
ROE (Ratio of net income to shareholders' equity) (%)	16.5	76.5	49.8	12.2
ROA (Ratio of ordinary profit to total assets) (%)	6.4	30.2	26.0	6.7
Equity ratio (%)	27.6	47.4	54.0	57.1
Net gearing ratio* (%)	163	71	55	51

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

2. Business Overview by Segment

Starting in FY2023, in addition to the existing "Real Property Business," the "Ferries and Coastal RoRo Ships Business" that had been included in the "Product Transport Business" segment and the "Cruise Business" that had been included in the "Associated Businesses" segment have been included in the newly created "Wellbeing & Lifestyle Business" segment as part of changes to our reportable segments. Comparisons with the past consolidated fiscal years have been made after rearranging the segments and categories to the segments and categories for this consolidated fiscal year which reflect these changes.

(¥ billion)

Segment	Revenues	Ordinary profit (loss)	Revenue composition ratio
Dry Bulk Business	395.5	37.2	24.30%
Energy Business	437.8	66.9	26.90%
Product Transport Business	618.7	125.5	38.01%
Containerships only	56.3	51.5	3.46%
Wellbeing & Lifestyle Business	104.6	9.0	6.43%
Real Property only	40.8	8.6	2.51%
Associated Businesses	49.1	2.9	3.02%
Others	21.8	4.3	1.34%
Adjustment (Corporate and eliminations)	–	12.9	
Total	**1,627.9**	**258.9**	

Note: Revenues represent those from external customers.

Dry Bulk Business

		Revenue composition ratio	24.30%
Revenues*		Ordinary profit (loss)	
FY2023	**¥395.5 billion**	FY2023	**¥37.2 billion**
FY2022	¥429.6 billion	FY2022	¥57.6 billion

* Revenues represent those from external customers.

[Major Business Lines]

- Owning and operating specialized vessels for specific cargo types and bulk carriers for cargoes such as iron ore, coal, grains, wood, wood chips, cement, fertilizer, salt and steel products

Overview of FY2023 Market and Business Conditions

- The Capesize bulker market enjoyed strong iron ore shipments in the first half of the fiscal year, but market rates continued to lack buoyancy due to reasons such as pessimistic observation on Chinese economy. We also saw a phase of stagnant bauxite shipping due to the rainy season in West Africa. However, in the second half of the fiscal year, the market rose with strong shipments of Brazilian iron ore and remained strong into the new year against the backdrop of consistently high iron ore prices.
- The Panamax bulker and Handymax bulker market conditions were strong in the first half of the fiscal year due to relatively strong shipments of iron ore, grains, and minor bulk commodities, while Capesize bulker market conditions remained depressed due to deteriorating market sentiment from concern over a slowdown in the Chinese economy. In the second half of the fiscal year, ship supply-and-demand tightened and market conditions recovered and remained strong due to restrictions on ship passage following the drought in the Panama Canal and ships avoiding passing through the Suez Canal caused by deteriorating conditions in the Middle East.
- The Dry Bulk Business as a whole was unable to replicate the strong results of the previous fiscal year and experienced decreased year-on-year profits despite working to reduce market fluctuations risks by securing long-term shipping contracts and making efforts to reduce costs through more efficient ship allocation and operations.

Major Initiatives

● Iron Ore Carriers

- Decided to build five new LNG-fueled Capesize bulkers.
- Executed a comprehensive partnership agreement with RIO TINTO that includes promoting decarbonization in maritime transportation.
- Began data sharing among systems with Nippon Steel Corporation by using the "Lighthouse" information sharing platform for maritime transportation.
- Carried out the Company's first LNG bunkering for an ocean-going vessel with an LNG-fueled Capesize bulker.

● MOL Drybulk Ltd.

- Moved forward with preparations to complete an Ultramax bulker with Wind Challenger (hard sail wind propulsion) technology (scheduled for delivery in June 2024).
- Decided to build six new bulkers with wind propulsion systems and one new multipurpose vessel (total of seven vessels).
- Executed a charter contract for a bulker using methanol as a dual fuel.
- Decided to build a new multipurpose vessel using green steel material that reduces CO2.
- Strengthened initiatives in strategic cargo such as reduced iron and project cargo.

● Dry bulk business shared

- Introduced further energy-saving technologies and the promotion of efficient operations, including retrofitting vessels in operation with new propeller boss cap fins (PBCF) with improved efficiency, installing MT-FAST (energy-saving hull fitting), adopting low-friction hull paint, and carrying out trials of shipping route optimization.

Energy Business

		Revenue composition ratio	26.90%
Revenues*		Ordinary profit (loss)	
FY2023	**¥437.8 billion**	FY2023	**¥66.9 billion**
FY2022	¥388.7 billion	FY2022	¥39.5 billion

* Revenues represent those from external customers.

[Major Business Lines]

- Owning and operating tankers such as crude oil tankers, product tankers that carry naphtha, gasoline and other refined petroleum products, and chemical tankers that carry liquid chemical products
- Owning and operating LNG carriers that carry liquefied natural gas, and development of offshore businesses such as FPSO (floating production, storage and offloading system) and FSRU (floating storage and regasification unit)
- Owning and operating steaming coal carriers for the transport of coal for thermal power generation
- Development and promotion of wind power generation related business and transportation using ammonia and CO2, etc.

Overview of FY2023 Market and Business Conditions

● Tankers

- In the tanker business, chemical tankers and product tankers performed well due to an increase in long-distance transportation because of changes in trade patterns of refined petroleum products and liquid chemicals. In addition, due to the stable fulfillment of long-term contracts and the steady contract renewals for crude oil tankers, there was a year-on-year increase in profits.

● Offshore

- In the FPSO Business, stable profits continued to be secured through existing long-term charter contracts, while the start of new charter contracts and the commencement of operations of cargo transfer vessels (CTV) led to an increase in profits compared to the previous fiscal year.

● Liquefied Gas

- In the LNG carrier business, stable profits were secured on par with the previous fiscal year due to steady performance of long-term contracts and securing new contracts.
- In the LPG carrier business, shipping demand was strong due to an increase in exports from the U.S. and an increase in demand in the Asian region.
- The FSRU business posted a year-on-year decrease in profits due to preparation to bring new vessels into service. The powership business continued to post stable profits.

● Wind and Carbon Power

- Stable profits were secured due to maintenance of high utilization of currently deployed coal carriers in mid to long-term contracts, against the backdrop of firm cargo demand from Japanese coal-fired power plants.
- Active participation and investment were promoted in the offshore wind power value chain to create new profitable business pillars against the backdrop of global trend toward decarbonization.

Major Initiatives

● Tankers

- Executed an agreement for a new tanker using methanol as a dual fuel for Mitsubishi Gas Chemical Company, Inc.
- Executed an agreement for two new very large crude carriers using LNG as a dual fuel.
- Completed a Net-Zero Voyage in a collaborative effort with the Canadian company Methanex Corporation using bio-methanol fuel produced by the said company.
- Executed charter agreement for two continuous voyage ETBE (bio-gasoline) carrier.
- MOL Chemical Tankers Pte. Ltd. acquired all shares of Fairfield Chemical Carriers Pte. Ltd.

● Offshore

- Invested in and executed a business partnership agreement with MODEC, Inc.
- Selected as an arctic research ship provider for the Japan Agency for Marine and Earth Science and Technology (JAMSTEC).
- Executed an agreement with Malaysia’s Petronas Group to establish a joint venture for the development and ownership of liquefied CO2 transport vessels.
- Executed an agreement for CTV (Cargo Transfer Vessel) time charters and an MOU to negotiate agreements for new CTVs with the Brazilian company Petroblas.
- Contracted research operations for liquefied CO2 transportation with vessels through the Japan Organization for Metals and Energy Security’s (JOGMEC) public bidding program.

● Liquefied Gas

(LNG carriers)

- Executed multiple long-term time charter contracts for new LNG carriers (including one vessel for Tokyo Gas Co., Ltd., two vessels for JERA Co., Inc., and two vessels for the U.K.’s INEOS).
- “BRASSAVOLA,” a membrane-type LNG-fueled supply vessel, supplied LNG fuel to a large-scale LNG-fueled bulker in Singapore.
- Established a joint venture for LNG carrier crew staffing in Indonesia.

(LPG carriers and ammonia carriers)

- Completed the Company’s first large-scale LPG carrier using LPG as a dual fuel.
- Executed a time charter contract for the ammonia carrier GREEN PIONEER with Yara, the world’s largest ammonia fertilizer manufacturer.

(FSRU)

- The Hong Kong project commenced operations where FSRU owned by the Company began receiving LNG.
- Acquired first refusal rights for a time charter agreement for one new FSRU vessel for Poland’s Gaz System (Charter contract was executed in April 2024).

● Wind and Carbon Power

(Carbon power)
- Completed “REIMEI,” the LNG-fueled Panamax coal carrier, and began a shipping contract with Kyushu Electric Power Company, Incorporated.
- Executed a dedicated charter agreement with The Kansai Electric Power Company, Incorporated for a newly built LNG-fueled coal carrier.
- Strengthened our business development and support system for ammonia and hydrogen shipping and vessels with power companies.
- Began joint study together with Japan Petroleum Exploration Co., Ltd, Mitsubishi Gas Chemical Co., Inc., IHI Corporation, and Mitsui & Co. to establish ammonia supply base in Soma District, Fukushima Prefecture.

(Wind power)
- Began a capital alliance with Hokutaku Co., Ltd., Japan’s largest wind power generation facility maintenance company.
- Executed a shipbuilding contract on the second service operation vessel (SOV) which follows “TSS PIONEER” which is the Asia’s first SOV for wind-power generation to operate for offshore windfarms.
- Invested in Odfjell Oceanwind and began a study on commercialization of floating offshore wind power business.

Product Transport Business			
		Revenue composition ratio	38.01%
Revenues*		Ordinary profit (loss)	
FY2023	**¥618.7 billion**	FY2023	**¥125.5 billion**
FY2022	¥626.6 billion	FY2022	¥703.6 billion

Containerships share of Product Transport Business			
		Revenue composition ratio	3.46%
Revenues*		Ordinary profit (loss)	
FY2023	**¥56.3 billion**	FY2023	**¥51.5 billion**
FY2022	¥53.0 billion	FY2022	¥620.1 billion

* Revenues represent those from external customers.

[Major Business Lines]
- Containerships Business (Ocean Network Express (ONE))
- Owning and operating specialized car carriers for the transport of completed cars and construction machinery, and developing comprehensive car transport services such as land transport and terminal operation
- Offering total logistics solutions through air and sea forwarding, land transport, warehousing services, services for the transport of heavy goods, etc.

Overview of FY2023 Market and Business Conditions

● Containerships
- Market conditions for freight rates remained depressed due to increased supply from the large-scale delivery of new vessels and the delay in full-scale recovery in consumption in regions such as Europe.
- Freight rates rose from December against the backdrop of restrictions on passing through the Panama Canal due to insufficient water levels and the avoidance of passing through the Red Sea caused by deteriorating conditions in the Middle East and rerouting around the Cape of Good Hope.
- As a result, Ocean Network Express (ONE), an equity-method affiliate of the Company, experienced a decline in year-on-year profits.

● Car Carriers
- Year-on-year transport levels increased amid the recovery in economies of countries that had stagnated due to the COVID-19 pandemic, normalization in the vehicle supply chain, and strong demand for

finished vehicle shipping. Despite port congestion and the avoidance of certain maritime regions, vessel allocation plans were flexibly revised, and profits improved compared to the previous fiscal year.

● Terminals and Logistics

- Although both revenue and profits for the international forwarding business declined due to the impact of the weakening global market, the domestic logistics business experienced firm demand, particularly for heavy goods.

Major Initiatives

● Containerships

- Delivered six new 24,000TEU time charter vessels and four new 15,000TEU time charter vessels operated by ONE.
- Formulated ONE2030, medium-term management plan, and held briefings on business for investors and analysts.
- Expanded our shipping network by launching new services including a route between Europe and the east coast of South America.
- Obtained approval in principle (AiP) for dual-fuel containerships using ammonia as fuel together with Nippon Shipyard Co. Ltd. (NSY) and the Det Norske Veritas group (DNV).

● Car Carriers

- Delivered "CERULEAN ACE," the first vessel in the new LNG-fueled car carrier "BLUE" series.
- Strengthened the system for safe operations by installing AI cameras into the cargo area of car carriers which dramatically increased the speed at which fires can be detected.

● Terminals and Logistics

- Decided on an expanded policy for the Kobe International Container Terminal (KICT).
- Completed a share transfer for container terminals operated in the U.S. and the Netherlands.
- Acquired additional shares of Nippon Concept Corporation, a major domestic operator in the tank container transportation business.
- Established a "Japan Desk," together with MOL Logistics Co., Ltd. to strengthen services for Africa regions, and promoted strategic tie-up with local partners.
- Utoc Corporation executed business alliance agreement with Logisteed, Ltd. related to joint operation of multi-axles trailers used in the transportation of heavy goods.

Wellbeing & Lifestyle Business			
		Revenue composition ratio	6.43%
Revenues*		Ordinary profit (loss)	
FY2023	**¥104.6 billion**	FY2023	**¥9.0 billion**
FY2022	¥99.4 billion	FY2022	¥6.7 billion

Real Property Business share of Wellbeing & Lifestyle Business			
		Revenue composition ratio	2.51%
Revenues*		Ordinary profit (loss)	
FY2023	**¥40.8 billion**	FY2023	**¥8.6 billion**
FY2022	¥39.5 billion	FY2022	¥8.1 billion

* Revenues represent those from external customers.

[Major Business Lines]

- Land and building lease, building management, etc.
- Transporting passengers and cargos by operating ferries and coastal RoRo ships in inshore Pacific and Seto Inland Sea
- Cruise business
- Overseas human resources business, travel agency business, etc.

Overview of FY2023 Market and Business Conditions

● Real Property

- The real property business secured profits on par with the previous fiscal year due to increased revenue from the acquisition of partial equity interest in properties such as “Otemon Tower/ENEOS Building” and “Otemachi First Square” in FY2022, despite increased costs from rebuilding offices owned by DAIBIRU CORPORATION in Tokyo and Osaka and the closure of commercial buildings in Sapporo.

● Ferries and Coastal RoRo Ships

- The passenger transportation business enjoyed a large increase in the number of passengers year on year due to the easing of restrictions implemented as a measure to combat COVID-19.
- The cargo transportation business experienced decreased transport levels due to reasons such as buying restraint caused by higher prices of consumer goods and reduced number of trips made by vessels.
- The Ferries and Coastal RoRo Ship business recorded decreased year-on-year profits as it could not entirely absorb the sharp cost inflation, despite the increased number of passengers covering the decline in cargo transportation.

● Cruise

- The cruise business saw improvement in year-on-year profits as the travel demand continued to recover with the easing of restrictions implemented as a measure to combat COVID-19.

Major Initiatives

● Real Property

- Japan: Began Sapporo Daibiru Redevelopment Project Plan, making Sapporo the third city where real property investments are being made after Osaka and Tokyo. Made multiple new investments including partial equity acquisition and transfers of existing office buildings starting with “Toranomon Daibiru-East (formerly the Toranomon Mitsui Building)” located adjacent to Shosen Mitsui Building.
- Overseas: Participated in an office building development project and invested in a fund in the Melbourne CBD, Australia, and acquired a stake in a building in one of the best locations (63 Ly Thai To) in Hanoi, Vietnam.
- Began joint operation of Mitsui O.S.K. Lines CVC (MOL PLUS) and DAIBIRU CVC.
- Issued ¥12.0 billion in green bonds.
- DAIBIRU CORPORATION joined “RE100,” international environmental initiative, with the goal of having 100% of its power consumption provided through renewable energy by 2025.

● Ferries and Coastal RoRo Ships

- Began service of “Sunflower Murasaki,” Japan’s second LNG-fueled ferry.
- Decided to merge two group companies operating ferries and coastal RORO ships with the new company name “MOL Sunflower Ltd.” Began operations in October 2023.

● Cruise

- Changed the company name of Mitsui O.S.K. Passenger Line, Ltd. to “MOL Cruises, Ltd.” and moved the headquarters.
- Announced the new cruise brand “MITSUI OCEAN CRUISES.”
- Announced the start of service of the 32,000-ton cruise ship “MITSUI OCEAN FUJI” in December 2024.

● Overseas Human Resources Business

- Established a joint venture for the overseas human resources business in Nagasaki Prefecture with the Sawayama Group, which conducts various businesses in the Kyushu region, mainly in Nagasaki Prefecture.

Associated Businesses

		Revenue composition ratio	3.02%
Revenues*		Ordinary profit (loss)	
FY2023	**¥49.1 billion**	FY2023	**¥2.9 billion**
FY2022	¥47.7 billion	FY2022	¥2.6 billion

* Revenues represent those from external customers.

[Major Business Lines]

- Tugboat business, trading company business (fuel, vessel materials, sales of machinery, etc.), etc.

Overview of FY2023 Market and Business Conditions

- The tugboat business recorded increased year-on-year profits due to revisions to tugboat service fees and steady demand.

Major Initiatives

- The LNG-fueled tugboat "Ishin" completed its 100th LNG bunkering operations.
- Completed construction of ERIMO, which installs eco-friendly technology, such as MOL Group's first installation of PBCF (Propeller Boss Cap Fins) which improves propeller efficiency.

Others

		Revenue composition ratio	1.34%
Revenues*		Ordinary profit (loss)	
FY2023	**¥21.8 billion**	FY2023	**¥4.3 billion**
FY2022	¥19.8 billion	FY2022	¥1.8 billion

* Revenues represent revenues from external customers.

[Major Business Lines]

- Ship operation business, ship management business, ship chartering business, financing business, information service business, accounting service business, marine consulting business, etc.

Overview of FY2023 Market and Business Conditions

- Ordinary profit in this segment increased from the previous fiscal year.

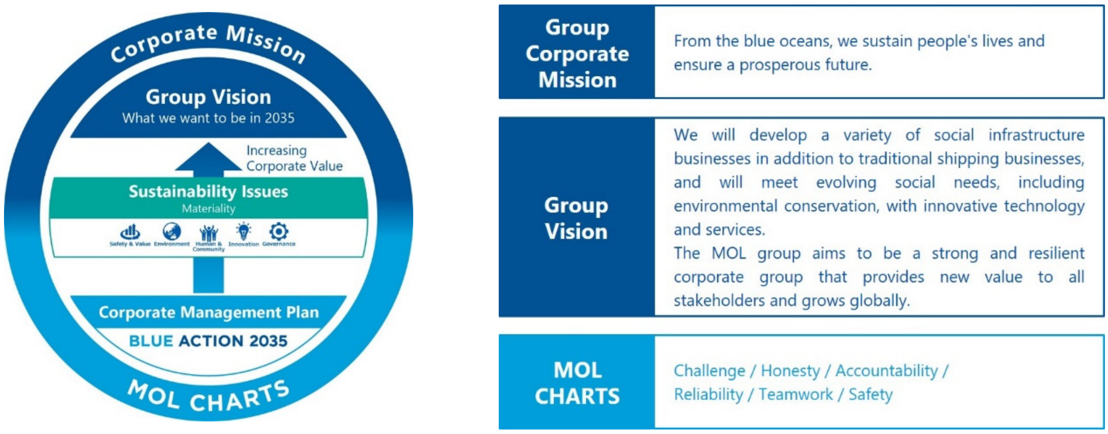
[Translation for Reference and Convenience Purposes Only]

3. Management Strategies of MOL and Issues to be Addressed

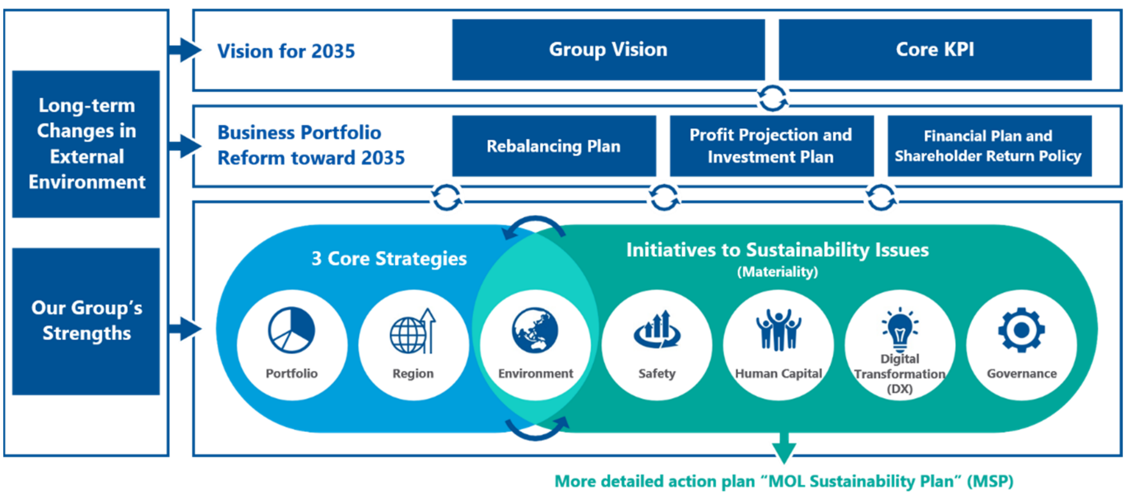
A. Management Strategies

Management Plan “BLUE ACTION 2035” – Taking the leap to becoming a global social infrastructure company

In FY2023, we formulated the new management plan “BLUE ACTION 2035,” and began working toward realizing the Group Vision for 2035. In the previous fiscal year, among the three core strategies (portfolio, environment, and region), for portfolio strategy, we steadily invested mainly in the Liquefied Gas and Real Property businesses toward achieving the desired business portfolio for FY2035, and increased the asset ratio of stable revenue and non-shipping type businesses. For environmental strategy, we are continuing our initiatives to achieve net zero GHG emissions for the entire MOL Group by 2050, in line with the Action Plan “MOL Group Environmental Vision 2.2,” which was updated in April 2023. For regional strategy, we have strengthened our commercial and corporate organizations in each region by assigning dedicated executive officers to each region with the aim of transitioning to a global business promotion structure.



Under BLUE ACTION 2035, in addition to the three core strategies, we are also working on five initiatives to address Sustainability Issues that serve as a foundation for these strategies. We have also set interim targets for the period up to FY2035 in three Phases (3 years, 5 years and 5 years), and will update the Action Plan every year while monitoring Core KPIs.



[Translation for Reference and Convenience Purposes Only]

<FY2023 evaluation of the management plan “BLUE ACTION 2035”>
In the financial results for FY2023, we achieved profit before tax of ¥295.4 billion, greatly exceeding the target of ¥240.0 billion for FY2025, which is the final fiscal year of Phase 1 of “BLUE ACTION 2035,” in the first fiscal year of the plan.

In terms of finance, financial conditions improved as total assets exceeded ¥4,100.0 billion, shareholders’ equity exceeded ¥2,300.0 billion, and when taken together with the assumed lease liabilities of ¥900.0 billion, equity ratio became 47%.

In addition, regarding the progress of the investment plan set forth in “BLUE ACTION 2035,” out of the planned investment of ¥1,200.0 billion set through FY2025, the target is set for investment of ¥1,100.0 billion in M&A, acquisition of new real estate, etc. in addition to continuously placing orders for new vessels, mainly LNG carriers. For the regional strategy, the actions for FY2023, such as the execution of long-term time charter contract on new FSRU vessel for Poland, are steadily producing results.

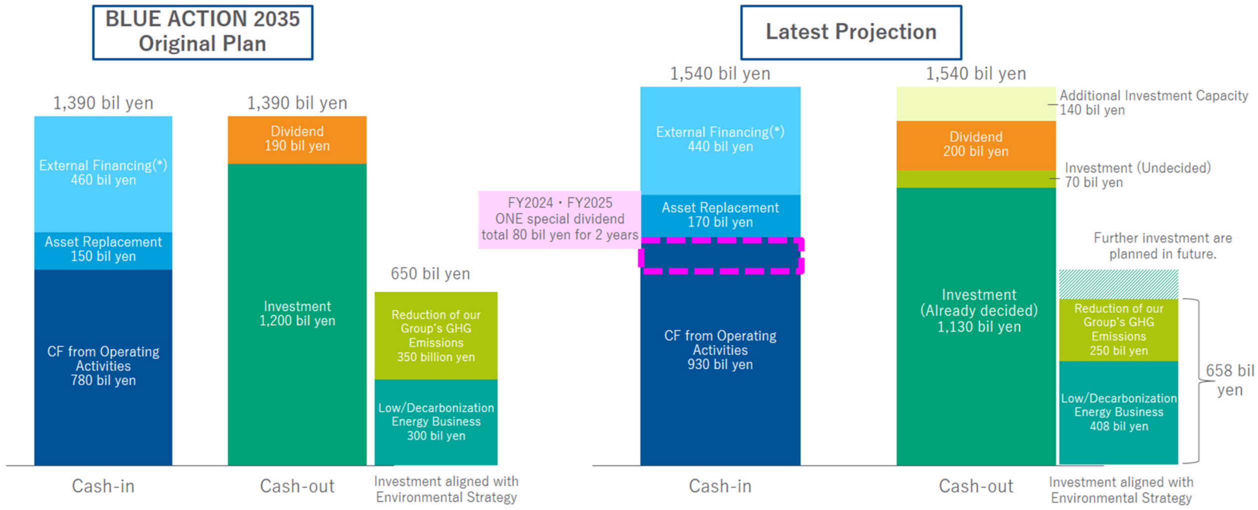
<Core KPIs and profit targets>

	KPI		FY2022 Actual	FY2023 Actual	FY2024 Forecast	No changes from BA2035 Phase 1 FY2025	Phase 2 FY2030	Phase 3 FY2035
Financial KPI	Profit before tax (unit: JPY)		819.1 bil	295.4 bil	245.0 bil	240.0 bil	340.0 bil	400.0 bil
	Net Gearing Ratio*1		1.01	0.88	0.9	0.9～1.0		
	ROE		49.8%	12.2%	9%	9～10%		
Non-Financial KPI	Environment	GHG emission intensity reduction rate (Compared to 2019)	▲5.0%	TBA	-	-	-	▲45%
	Safety	4 Zero*2	Unachieved (One fatal accident)	Unachieved (One fatal accident)		Achieve		
	Human Capital	Percentage of female employees in managerial positions (Office workers, non-consolidated)	9.2%	11.3%	-	15%	[Reset by the end of Phase 1]	
		Percentage of MGKP*3 incumbents (Female/Non-HQ/Under 40s)	4.7%/18.3%/9.5%	5.5%/20.1%/14.8%	-	8%/30%/15%		
	DX	Conversion rate to value creation and safety work (cumulative)	-	5.0%	8%	10%	20%	30%

*1 Interest-bearing debt is assumed to include off-balance sheet assets (approximately ¥900 billion) such as future charter fees which must be factored in after the introduction of IFRS. These figures are estimates based on certain assumptions made by the Company and may differ from figures calculated when IFRS is officially applied.
*2 4 ZEROS: zero serious marine incidents, zero oil pollution, zero fatal accidents, and zero serious cargo damage
*3 MOL Group Key Positions. Positions designated as a position in MOL Group or on a global basis equivalent to general manager of head office.

<Cash flows and shareholder return>
Corporate value will be enhanced by generating stable operating cash flow by overhauling our business portfolio, by developing alternative fuel fleets that reduce greenhouse gas emissions of the MOL Group, and by investing in low carbon and decarbonized businesses with growth potential. According to the latest outlook as of April 30, 2024, during Phase 1, cash flows from operating activities are expected to improve due to the overshoot of profits in FY2023 and special dividend from equity-method affiliate Ocean Network Express (ONE), resulting in additional investment capacity of about ¥140.0 billion compared to the original plan.

[Translation for Reference and Convenience Purposes Only]



(*) External financing includes cash inflows from chartered vessels and lease arrangements.

As for shareholder returns, taking into account trends of the Tokyo Stock Exchange's Prime Market, we have raised the dividend payout ratio from 25% in FY2022 to 30% under BLUE ACTION 2035 Phase 1, and at the same time, we have introduced a minimum dividend of ¥150 per share to prevent the dividend from becoming too small during down shipping market cycles. We plan to maintain this shareholder return policy in FY2024.

B. Issues to be Addressed

(i) Overhaul of business portfolio

We recognize that one of the most important management issues for the Company is to secure stable profits even at the time when the shipping market is weak, and we are implementing initiatives to find solutions by building an optimal business portfolio by taking measures such as increasing the ratio of our stable revenue businesses while at the same time further growing businesses outside of maritime transportation.

(ii) Sustainability issues

We have identified five “Sustainability Issues (Materiality)” as important issues that must be resolved in order to achieve sustainable development together with society through realization of the Group Vision. We have formulated the “MOL Sustainability Plan” as an action plan for solving these issues, and are steadily advancing our initiatives.

For details of the MOL Group’s Sustainability Issues (Materiality) and MOL Sustainability Plan, please see our website (Details, however, may be updated from time to time.).

(https://www.mol.co.jp/en/sustainability/management/issues/)

[Translation for Reference and Convenience Purposes Only]

<Highlights of Strategies and Initiatives>

Strategy/Initiative	Key Points of Phase 1	Major Initiatives for FY2024
Portfolio Strategy	Measure and manage business profitability by segment ROA and company-wide capital costs	- Early realization of effects of acquisitions of Fairfield Chemical Carriers (chemical tanker operator) and Hokutaku (wind turbine maintenance), which were made subsidiaries in FY2023 - Implement overseas M&A in logistics business - Launch passenger service of MITSUI OCEAN FUJI, newly introduced cruise ship
Regional Strategy	Shift to an organizational structure to promote business globally which supports portfolio reform	- Promotion of new business development, mainly M&A and non-marine transportation, led by regional organizations
Environmental Strategy	Implement and accelerate Initiatives 1 - 5 to achieve net zero set forth in the Environmental Vision 2.2	- Mass production of hard sail wind propulsion system (Wind Challenger) - Study and review toward disclosure in accordance with Taskforce on Nature-related Financial Disclosures (TNFD)
Safety	Continuously achieve “4 Zero*” with innovation for our initiatives in safety	- Restructuring of safety promotion organization and systems to strengthen the functions of “Safety and Quality Assurance,” “Business Safety Support,” and “Ship Management”
Human Capital	Centralize human capital planning of Company as well as global MOL Group	- Reform of head office personnel system in line with the basic principles of the “Human Capital Vision” - Implementing the allocation of right person in the right place across the MOL Group by utilizing the talent management system
DX (Digital Transformation)	Focus on changes in both “Business” and “Culture”	- Centralized management of management-related data and upgrading business management through visualization and simulation - Digitalization of operations on land and at sea, based on the premise of improving onboard communication environment
Governance	Ensure evolution and diversity of the Board of Directors, enhance the sophistication of business management, and strengthen intelligence on management risks	- Strengthen strategic planning and risk management functions by establishing Advisory Board - Introduce “Sustainability Discussions” in Board of Directors’ meetings to strengthen the Board of Directors’ involvement in sustainability strategies

4 Zero: zero serious marine incidents, zero oil pollution, zero fatal accidents, and zero serious cargo damage

<Compliance>

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

<Advisory Board>

Since April 2024, MOL has established an Advisory Board under the President to obtain opinions from outside experts on areas of high priority from the viewpoint of updating and improving management strategies and risk management. The following five experts were appointed this year.

Name	Main Career
Naoko Ishii	Special Presidential Envoy for Global Commons, Professor and Director of the Center for Global Commons, the University of Tokyo Ishii joined the Japanese Ministry of Finance in 1981. Served as an Economist at the International Monetary Fund (IMF), the World Bank's country program coordinator for Vietnam, and World Bank Country Director for Sri Lanka; 2010: Deputy Vice Minister of Finance, 2012: CEO and Chairperson, the Global Environment Facility. 2020: Executive Vice President, Professor and Director at the Center for Global Commons, the University of Tokyo, 2024: Special Presidential Envoy for Global Commons, the University of Tokyo.
Nahoko Eto	Professor, Department of Political Science, Gakushuin University Eto is also a Senior Fellow and Head of China Group, Institute of Geoeconomics and a member of Advisory Committee to the Ministry of Economy, Trade and Industry on Strengthening Industrial and Technological Infrastructure for Economic Security. She holds an MA in International Policy Studies from Stanford University and a Ph.D. in political science from Keio University.
Toyohisa Kozuki	Former Ambassador Extraordinary and Plenipotentiary of Japan to Russia Kozuki joined the Japanese Ministry of Foreign Affairs in 1981 and later served as Director General of the European Bureau of the Ministry of Foreign Affairs and Chief Cabinet Secretary of the Ministry of Foreign Affairs before becoming Ambassador Extraordinary and Plenipotentiary of Japan to the Russian Federation from 2015 to 2023. Since January 2024, he has been a Distinguished Professor at Chiba Institute of Technology.
Daisuke Matoba	President, digital brain enablement Inc. Digital strategy consultant. He has served as head of enterprise architecture, public sector partner, and vice president at IBM (1988-), Oracle (2008-), Accenture (2010-), and SAP (2013-). He promoted CIC, a research group on artificial intelligence (AI) at the National Institute of Informatics, and CDE, a research group on speculative design at the University of Tokyo with executives from major companies. Participated in national data strategy formulation since 2020 (seconded to Digital Agency from IPA). He completed his master's degree of socio informatics and Interdisciplinary Information Studies at the University of Tokyo.
Mitsunobu Koshiba (June 25-)	Outside Director of MOL (Scheduled to retire at the Ordinary General Meeting of Shareholders on June 25, 2024) In 1981, Koshiba joined Japan Synthetic Rubber Co., Ltd. (now JSR), where he became Representative Director and President in 2009, Representative Director and Chairman in 2019, and Chairman Emeritus from 2021. As vice-chairman of the KEIZAI DOYUKAI (Japan Association of Corporate Executives), responsible for economic security and other issues, he founded the think tank Cdots LLC, which publishes opinions on advanced technology, geopolitics, and geoeconomics, among other topics. He is currently supporting domestic and foreign deep tech startups and serves as an outside director of Rapidus Corporation, TBM Co., Ltd., and others.

4. Financial Position and Results of Operations

(¥ million)

Category	FY2020	FY2021	FY2022	FY2023 (current fiscal year)
Revenues	991,426	1,269,310	1,611,984	1,627,912
Ordinary profit	133,604	721,779	811,589	258,986
Profit attributable to owners of parent	90,052	708,819	796,060	261,651
Net income per share (¥)	250.99	1,970.16	2,204.04	722.85
Total assets	2,095,559	2,686,701	3,564,247	4,120,552
Total net assets	699,150	1,334,866	1,937,621	2,369,682
ROE (Ratio of net income to shareholders' equity)	16.5%	76.5%	49.8%	12.2%
ROA (Ratio of ordinary profit to total assets)	6.4%	30.2%	26.0%	6.7%
Equity ratio	27.6%	47.4%	54.0%	57.1%
Net gearing ratio* *(Interest-bearing debt - Cash and cash equivalents)/Shareholders' equity	163%	71%	55%	51%

Notes:
1. Figures in revenues, ordinary profit, profit attributable to owners of parent, total assets and total net assets are rounded down to the nearest million.
2. The Company split its common share on the basis of one (1) share into three (3) shares effective April 1, 2022. In terms of trend of net income shown above, net income per share for each fiscal year is calculated on the assumption that the said split of shares had been made at the beginning of FY2020.
3. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of FY2021, and each figure for FY2021 and subsequent fiscal years is the figure after applying the accounting standard and relevant ASBJ regulations.

5. Fund Raising

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

6. Capital Investment

The MOL Group's capital investment, mainly in ships, implemented in the fiscal year under review amounted to ¥336.2 billion.

(¥ million)

Name of Segment	Amount of Capital Investment
Dry Bulk Business	13,742
Energy Business	165,562
Product Transport Business	53,152
Containerships only	15,190
Wellbeing & Lifestyle Business	88,918
Real Property only	84,506
Associated Businesses	2,826
Others	5,677
Adjustment	6,417
Total	336,296

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

Fourteen vessels in Dry Bulk Business, Energy Business, Product Transport Business, Wellbeing & Lifestyle Business, and Associated Businesses were sold.

Sale of Vessels

Name of Segment		Number of Vessels	Book Value (¥ million)
Dry Bulk Business		2	653
Energy Business		3	3,335
Product Transport Business		2	5,000
	Containerships only	2	5,000
Wellbeing & Lifestyle Business		1	0
Associated Businesses		6	156
Total		14	9,146

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

7. Major Creditors (As of March 31, 2024)

(¥ million)

Creditor	Loan Outstanding
Sumitomo Mitsui Banking Corporation	127,346
Development Bank of Japan Inc.	58,630
Shinkin Central Bank	28,734
THE YAMAGUCHI BANK, Ltd.	23,040
MUFG Bank, Ltd.	17,206

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

8. Principal Business (As of March 31, 2024)

With a focus on marine transportation, we are developing various social infrastructure businesses on a global scale, including offshore, logistics, cruise, and real property businesses, etc.

9. Principal Business Offices (As of March 31, 2024)

■ **The Company**

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

■ **Subsidiaries**

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

10. Shipping Tonnage of the Group (As of March 31, 2024)

Category	Dry Bulk Business	Energy Business	Product Transport Business	
	Dry Bulkers	Tankers, LNG Carriers, Steaming Coal Carriers, etc.	Subtotal	Car Carriers
	Number of Vessels	Number of Vessels	Number of Vessels	Number of Vessels
Owned vessels	46	201 (80)	70	50
Chartered vessels	228	191 (17)	59	45
Others	–	9	–	–
Total	274	401	129	95

Category	Product Transport Business	Wellbeing & Lifestyle Business	Associated Businesses and Others	Total
	Containerships	Ferries, Cruise Ship, etc.	Others	
	Number of Vessels	Number of Vessels	Number of Vessels	Number of Vessels
Owned vessels	20	13	32	362 (80)
Chartered vessels	14	3	21	502 (17)
Others	–	–	–	9
Total	34	16	53	873

Notes:
1. In the FY2022 Business Report, we reported the number of ships owned, chartered and/or operated by the Company and its consolidated subsidiaries. However, to more appropriately present the status of the Company's business operations, commencing from this fiscal year, the number of vessels presented for businesses that are generally considered to be promoted through joint operations also includes the fleets mainly of equity method affiliates based on the vessel type and the extent of our involvement in procurement, construction, and financing.
2. The figures in parentheses indicate the number of vessels (Energy Business) included as a result of the revised presentation described in 1.
3. Partial ownership of a vessel is counted as one vessel.

11. Employees of the Group (As of March 31, 2024)

Name of Segment	Number of Employees	
Dry Bulk Business	255	(52)
Energy Business	1,023	(94)
Product Transport Business	4,328	(1,109)
Containerships only	60	(10)
Wellbeing & Lifestyle Business	2,396	(1,145)
Real Property only	1,212	(1,038)
Associated Businesses	458	(137)
Others	849	(166)
Company-wide (common)	486	(160)
Total	9,795	(2,863)
As of March 31, 2024	8,748	(2,485)

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

12. Principal Subsidiaries (As of March 31, 2024)

Company	Paid-in Capital (¥ million)	Percentage of Equity Participation (%)	Principal Business
DAIBIRU CORPORATION	12,354	100.00	Real estate business
Utoc Corporation	2,155	100.00	Harbor and transportation business
MOL Sunflower Ltd.	1,577	100.00	Marine transportation business
MOL Logistics Co., Ltd.	756	100.00	Air Transport agents and other businesses
MOL Drybulk Ltd.	660	100.00	Marine transportation business
Nissan Motor Car Carrier Co., Ltd.	640	90.00	Marine transportation business
MOL Techno-Trade, Ltd.	490	100.00	Sales of fuel oil/vessel materials/ machinery
MOL Cruises, Ltd.	100	100.00	Marine transportation business
MOL Energia Pte. Ltd.	229,311 USD Thousand	100.00	Marine transportation business
MOL Chemical Tankers Pte. Ltd.	446,198 SGD Thousand	100.00	Marine transportation business
Fairfield Chemical Carriers Pte. Ltd.	100 SGD Thousand	*100.00	Marine transportation business

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

13. Principal Equity Method Affiliates (As of March 31, 2024)

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

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

II. Status of Shares (As of March 31, 2024)

1. **Total Number of Shares Authorized to Be Issued** 946,200,000 shares
2. **Number of Shares Issued** 362,386,058 shares
   (**including own shares** 32,185 shares)

Notes: 1. On July 20, 2023, the Company issued a total of 103,358 shares in order to grant restricted shares to 119 individuals made up of directors, executive officers and employees of the Company and directors, etc. of subsidiaries of the Company.
2. The number of shares issued increased by 271,800 shares due to the exercise of share options.

3. **Number of Shareholders** 303,578 parties
4. **Major Shareholders**

Name of Shareholders	Investment in the Company by the Shareholders	
	Number of Shares (in thousands)	Investment ratio (%)
1. The Master Trust Bank of Japan, Ltd. (Trust Account)	67,554	18.64
2. Custody Bank of Japan, Ltd. (Trust Account)	17,159	4.74
3. Sumitomo Mitsui Banking Corporation	9,000	2.48
4. STATE STREET BANK WEST CLIENT - TREATY 505234	6,941	1.92
5. State Street Bank and Trust Company 505103	5,406	1.49
6. Mitsui Sumitomo Insurance Co., Ltd.	4,949	1.37
7. The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	4,376	1.21
8. Mizuho Bank, Ltd.	4,200	1.16
9. SSBTC CLIENT OMNIBUS ACCOUNT	4,029	1.11
10. Sumitomo Mitsui Trust Bank, Limited	3,471	0.96

Notes: 1. Shares less than 1,000 have been rounded down to the nearest 1,000 shares.
2. Shares of the above loan and trust companies include shares related to trust services.
3. The investment ratio is calculated excluding own shares (32,185 shares).

■ **Composition of shareholders**

Financial institutions	37.4% (including 28.5% of trust account)
Individual investors	30.8%
Domestic corporations	3.2%
Foreign investors	25.0%
Securities companies	3.6%

5. **Status of Shares Issued to Company Officers as Consideration for Performance of Duties in the Current Fiscal Year**

Category	Number of Shares (shares)	Number of Grantees (persons)
Directors (excluding Outside Directors)	19,128	5
Outside Directors	1,852	4
Audit & Supervisory Board Members	–	–

Note: For details of compensation involving the Company’s stock, please see “IV. 2. Amounts of Remunerations, etc. of Directors and Audit & Supervisory Board Members” on page 53 of the Business Report.

[Translation for Reference and Convenience Purposes Only]

III. Matters Concerning Share Option

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

Issue date	August 18, 2014	August 17, 2015	August 15, 2017	August 15, 2018	August 15, 2019
Total number of holders (persons)	1	2	5	3	5
MOL Directors (excluding outside directors) (persons)	1	2	3	3	3
MOL Outside Directors (persons)	0	0	1	0	0
MOL Audit & Supervisory Board Members (persons)	0	0	1	0	2
Total number of share options (units)	1	122	211	79	220
Class and number of shares subject to the share options (shares)	(common stock) 300	(common stock) 36,600	(common stock) 63,300	(common stock) 23,700	(common stock) 66,000
Paid-in value at exercise of share options (yen)	without consideration	without consideration	without consideration	without consideration	without consideration
Exercise price (yen per share)	1,374	1,424	1,260	981	988
Exercise period of the share options	August 2, 2016 to June 23, 2024	August 1, 2017 to June 20, 2025	August 1, 2019 to June 25, 2027	August 1, 2020 to June 23, 2028	August 1, 2021 to June 22, 2029
Exercise conditions of the share options	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)

Issue date	August 17, 2020
Total number of holders (persons)	3
MOL Directors (excluding outside directors) (persons)	1
MOL Outside Directors (persons)	1
MOL Audit & Supervisory Board Members (persons)	1
Total number of share options (units)	70
Class and number of shares subject to the share options (shares)	(common stock) 21,000
Paid-in value at exercise of share options (yen)	without consideration
Exercise price (yen per share)	702
Exercise period of the share options	August 1, 2022 to June 21, 2030
Exercise conditions of the share options	(Note 1)

Notes: 1. 1) A share option cannot be partially exercised.
2) Even if the grantee no longer holds a position as an officer of the Company, he/she may exercise share options. However, if the grantee is sentenced to imprisonment or heavier penalty, dismissed from office, or passes away, the granted share options shall become invalid immediately.
3) Other exercise conditions of share options are according to the decision of the Board of Directors.
2. The share options include rights granted prior to their appointments as MOL directors.
3. The Company implemented a reverse stock split with an effective date of October 1, 2017 when each ten shares of common stock were consolidated into one share. In addition, the Company implemented a stock split with an effective date of April 1, 2022 when each share of common stock was split into three shares.
The table above shows the number and price of shares after adjustment.

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

There are no significant matters to report.

3. Other Significant Matters Concerning Share Options, etc.

There are no significant matters to report.

[Translation for Reference and Convenience Purposes Only]

IV. Matters Concerning Officers

1. Directors and Audit & Supervisory Board Members (As of March 31, 2024)

Position	Name	Assignment	Significant Concurrent Positions Outside the Company
Chairman of the Board	Junichiro Ikeda		
Representative Director, President, Chief Executive Officer	Takeshi Hashimoto	Chief Executive Officer	
Representative Director, Executive Vice President, Executive Officer	Toshiaki Tanaka	Chief Operating Officer, Director General, Headquarters of Technological & Digital Transformation, Responsible for: Promoting Diversity, Equity and Inclusion	
Director	Junko Moro		
Director, Managing Executive Officer	Hisashi Umemura	Chief Financial Officer, Chief Communication Officer, Responsible for: Finance Division, Accounting Division, Corporate Communication Division	
Director	Hideto Fujii		Provided in 6. Matters Concerning Outside Officers below.
Director	Etsuko Katsu		Provided in 6. Matters Concerning Outside Officers below.
Director	Masaru Onishi		Provided in 6. Matters Concerning Outside Officers below.
Director	Mitsunobu Koshiba		Provided in 6. Matters Concerning Outside Officers below.
Full-time Audit & Supervisory Board Member	Masanori Kato		
Full-time Audit & Supervisory Board Member	Yutaka Hinooka		
Audit & Supervisory Board Member	Satoru Mitsumori		Provided in 6. Matters Concerning Outside Officers below.
Audit & Supervisory Board Member	Fumiko Takeda		Provided in 6. Matters Concerning Outside Officers below.

Notes:
1. Directors Hideto Fujii, Etsuko Katsu, Masaru Onishi, and Mitsunobu Koshiba are outside directors. They satisfy the requirements for independent officer stipulated under the regulations of the stock exchange on which the Company's common share is listed, as well as the requirements for independence stipulated under the Company's "Independence Criteria for Outside Officers" (pages 18 and 19).
2. Audit & Supervisory Board Members Satoru Mitsumori and Fumiko Takeda are outside audit & supervisory board members. They satisfy the requirements for independent officer stipulated under the regulations of the stock exchange on which the Company's common share is listed, as well as the requirements for independence stipulated under the Company's "Independence Criteria for Outside Officers" (pages 18 and 19).
3. Satoru Mitsumori, an audit & supervisory board member, is familiar with corporate legal affairs as an attorney, and has considerable knowledge in corporate legal affairs and law.
4. Fumiko Takeda, an audit & supervisory board member, has many years of experience as a researcher and professor, etc. in the field of accounting at universities and other institutions, and has considerable knowledge in finance and accounting.
5. At the conclusion of the Ordinary General Meeting of Shareholders held on June 20, 2023, Directors Kenta Matsuzaka and Yutaka Hinooka resigned from their office due to expiration of their term.
6. At the conclusion of the Ordinary General Meeting of Shareholders held on June 20, 2023, full-time

Audit & Supervisory Board Member Toshiaki Takeda and Audit & Supervisory Board Member Junko Imura resigned from their office due to expiration of their term.

7. Executive officers as of March 31, 2024 are as follows (excluding ones concurrently serving as director).

Executive Officers (As of March 31, 2024)

Position	Name	Assignment
Senior Managing Executive Officer	Toshinobu Shinoda	Responsible for: Europe and Africa Area Managing Director of MOL (Europe Africa) Ltd.
Senior Managing Executive Officer	Hirofumi Kuwata	Director General, Headquarters of Energy Business, Responsible for: Energy Business Strategy Division
Senior Managing Executive Officer	Nobuo Shiotsu	Responsible for: East Asia, South East Asia and Oceania Area, Managing Director of MOL (Asia Oceania) Pte. Ltd., Managing Director of MOL Treasury Management Pte. Ltd.
Senior Managing Executive Officer	Kazuhiko Kikuchi	Director General, Headquarters of Dry Bulk Business, Responsible for: Dry Bulk Business Strategy Division President and Representative Director of MOL Drybulk Ltd.
Managing Executive Officer	Osamu Sakurada	Director General, Headquarters of Product Transport Business, Responsible for: Regional Strategy in Japan, Product Transport Business Management Division
Managing Executive Officer	Ryusuke Kimura	Chief Digital & Information Officer, Deputy Director General, Headquarters of Technological & Digital Transformation, Responsible for: DX Co-Creation Unit, Supervisor for MOL Information Systems, Ltd.
Managing Executive Officer	Mitsuhisa Tanimoto	Chief Safety & Quality Officer, Director General, Headquarters of Safety Operations, Responsible for: Human Capital Management Division, Marine Safety Division, Global Maritime Resources Division, Secondarily Responsible for: Offshore Technical Division, Smart Shipping Division
Managing Executive Officer	Ajay Singh	Responsible for: South Asia and the Middle East
Managing Executive Officer	Jotaro Tamura	Chief Strategy Officer, Assistant to Chief Safety & Quality Officer, Deputy Director General, Headquarters of Safety Operations, Responsible for: Work-Style Reforms, Corporate Planning Division, Containership Business Division
Managing Executive Officer	Mitsuru Endo	Deputy Director General, Headquarters of Safety Operations, Responsible for: Ship Management Strategy and Supervising Division (Dry Cargo), Ship Management Strategy and Supervising Division (Energy), Secondarily Responsible for: Marine Safety Division, Smart Shipping Division
Managing Executive Officer	Kazuya Hamazaki	Deputy Director General, Headquarters of Energy Business, Responsible for: Integrated Liquefied Gas Transport & Offshore Projects – Liquefied Gas Unit 1 (Responsible for Japan, South East Asia & South Asia LNG Business, LPG & Ammonia Business), Liquefied Gas Unit 2 (Responsible for China, Korea, Middle East, Europe, Africa, North & South America, Oceania LNG Business), Liquefied Gas Unit 3 (Responsible for Arctic Ocean, FSRU, Powership Business)
Managing Executive Officer	Tsunemichi Mukai	Director General, Headquarters of Wellbeing & Lifestyle Business, Responsible for: Ferry and Associated Business Division, Cruise Business Innovation Project Unit
Managing Executive Officer	Tomoaki Ichida	Responsible for: The Americas Area, President of MOL (Americas) Holdings, Inc.

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Position	Name	Assignment
Executive Officer	Makoto Yamaguchi	Chief Technical Officer, Deputy Director General, Headquarters of Technological & Digital Transformation, Responsible for: Technical Division, Offshore Technical Division, Smart Shipping Division
Executive Officer	Kazuhiro Takahashi	Responsible for: Marine Fuel GX Division, Integrated Tanker & Offshore Projects – Tanker Unit
Executive Officer	Yasuchika Noma	Deputy Director General, Headquarters of Energy Business, Responsible for: Offshore Technical Division, Integrated Tanker & Offshore Projects – Offshore Unit
Executive Officer	Miwako Ando	Deputy Director General, Headquarters of Wellbeing & Lifestyle Business, Responsible for: Wellbeing & Lifestyle Business Management Division, Secondarily Responsible for: Cruise Business Innovation Project Unit
Executive Officer	Keiichiro Nakanishi	Chief Compliance & Legal Officer, Responsible for: Secretaries & General Affairs Division, Legal Division, General Manager of Secretaries & General Affairs Division
Executive Officer	Tatsuro Watanabe	Chief Environment and Sustainability Officer, Responsible for: Corporate Marketing Division, Environment & Sustainability Strategy Division
Executive Officer	Koichi Hirata	Deputy Director General, Headquarters of Product Transport Business, Responsible for: Car Carrier Division
Executive Officer	Hiromichi Takezaki	Chief Human Resource Officer, Responsible for: Human Capital Management Division, Human Capital Strategy Division
Executive Officer	Masayuki Sugiyama	Responsible for: Integrated Wind & Carbon Power Solutions – Carbon Power Solution Unit, Wind Power Projects Unit
Executive Officer	Hiroyoshi Kubo	Deputy Director General, Headquarters of Dry Bulk Business, Responsible for: Iron Ore and Coal Carrier Division
Executive Officer	Suryan Wirya-Simunovic	Secondarily Responsible for: Europe and Africa Area, The Americas Area, Regional Head of Marketing in charge of Europe and Africa (Energy Related Business), Director of MOL (Europe Africa) Ltd., Regional Head of Marketing in charge of the Americas (Energy Related Business), Vice President (in charge of Energy Business) of MOL (Americas) Holdings, Inc.
Group Executive Officer	Takashi Maruyama	DAIBIRU CORPORATION (Representative Director, President Chief Executive Officer)
Group Executive Officer	Akihiko Ono	Utoc Corporation (Representative Director and President)
Group Executive Officer	Akira Sasa	MOL Chemical Tankers Pte. Ltd. (Managing Director/Chief Executive Officer)
Group Executive Officer	Ryoji Mitani	MOL Information Systems, Ltd. (President and Representative Director)
Group Executive Officer	Koichi Yashima	MOL Logistics Co., Ltd. (Representative Director & President)
Group Executive Officer	Hirotoshi Ushioku	MOL Sunflower Ltd. (Representative Director, President, Chief Executive Officer)

[Translation for Reference and Convenience Purposes Only]

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

Category	Number of Persons Remunerated	Total Amount of Remunerations Paid (¥ million)	Total Amount of Remunerations by Type (¥ million)			
			Basic compensation	Performance-linked compensation, etc.	Non-monetary compensation, etc.	Non-monetary compensation, etc.
			Monthly remuneration (cash)	Single fiscal year performance-based compensation (cash)	Performance-linked stock compensation (stock-based)	Non-Performance-linked stock compensation (stock-based)
Directors (of which, outside directors)	11 (4)	523 (55)	293 (50)	131 (-)	66 (-)	33 (5)
Audit & Supervisory Board Members (of which, outside audit & supervisory board members)	6 (3)	98 (26)	98 (26)	-	-	-
Total (of which, outside officers)	17 (7)	621 (81)	391 (76)	131 (-)	66 (-)	33 (5)

Notes:
1. The above includes remuneration related to two (2) directors (who were not outside directors) and two (2) audit & supervisory board members (one (1) of them was an outside audit & supervisory board member) who resigned at the conclusion of the Ordinary General Meeting of Shareholders held on June 20, 2023.
2. Out of the above, the total amount of remuneration, etc. paid to the seven (7) outside officers is ¥81 million.
3. Recorded figures less than one million yen are rounded down to the nearest million yen.
4. The share price and some of the indicators used in the calculation of "Performance-linked compensation (stock-based)" are current estimates.

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

Company Policy for Decisions on the contents of individual remuneration, etc. of directors

At the meeting of the Board of Directors held on April 28, 2022, the Company established the Company Policy for Decisions on the contents of individual remuneration, etc. of directors.

Objective and transparent procedures were taken by having the Board of Directors make a decision after involving the Remuneration Advisory Committee, in which the majority of members are outside directors and which is chaired by an outside director.

The Board of Directors and the Remuneration Advisory Committee respectively conducted a deliberation on monthly compensations and bonuses three times respectively in total in the course of determining the amount of remuneration, etc. of the Company's officers in the fiscal year under review.

As for individual remuneration, etc. of directors for the fiscal year under review, the Board of Directors determined that the remuneration, etc. are in accordance with the determination policy due to the fact that the Board of Directors confirmed that the method of determining the contents of remuneration, etc. and the determined contents of remuneration, etc. are consistent with the determination policy on the contents of individual remuneration, etc. and that the report received from the Remuneration Advisory Committee as the result of its review, which takes into account the said policy, has been respected. The outline of the contents of the policy for determining the contents of individual remuneration, etc. of directors is as follows:

(i) Basic Policy

Remuneration of the Company's directors shall encourage them to execute their duties in conformance with "MOL CHARTS," which represents MOL Group's values and code of conduct, and to motivate them strongly to achieve the Group Vision and the Management Plan (BLUE ACTION 2035), with the aim of sustainable enhancement of corporate value in line with the MOL Group's Corporate Mission.

Remuneration level shall be suitable for attracting and retaining human capital and shall motivate employees to become officers of the Company. With regard to the composition of remuneration, remunerations of directors serving concurrently as executive officers shall consist of basic compensation (cash compensation), single fiscal year performance-based compensation (cash compensation) as performance-linked compensation, and long-term target contribution-based compensation (non-monetary compensation) as performance-linked compensation. Remunerations of directors including outside directors, whose primary role is business execution supervisor and who do not concurrently serve as executive officers, shall consist of basic compensation and non-performance-linked stock compensation (RS) in order for them to carry out their role as business execution supervisor and to share shareholder value. The composition ratios of remuneration shall be set to allow the proportions of remuneration linked to short-term performance and medium- to long-term performance to be set appropriately by taking into account the business characteristics and shall also enable the demonstration of sound entrepreneurial spirit and the greater alignment of value with the shareholders.

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

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

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

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

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

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

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

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

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

(vi) Policy on determining the ratios of amount of basic compensation, amount of performance-linked compensation, etc. and amount of non-monetary compensation, etc. in the amount of individual remuneration of directors, etc.
With regard to the ratio of each type of remuneration in the individual remuneration of directors, the Company makes the determinations by taking into overall account their positions, responsibilities, performance and achievement rates of targets, etc. and by using the policies of companies in the same industry or companies with the same size in other industries as a reference.
With regard to the ratio of each type of remuneration in the individual remuneration of directors including outside directors whose primary role is business execution supervisor and who do not concurrently serve as executive officers, the Company makes the determinations by taking into overall account their positions and responsibilities, etc. and by using the policies of companies with the same size in other industries, etc. as a reference.

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

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

(i) Consolidated ordinary profit/loss
Reason for this choice: This item has been adopted because it is an important performance indicator already in use, and therefore continuity with past performance can be maintained.

(ii) Return on equity (ROE)
Reason for this choice: This item has been adopted because it is a performance target set forth in the management plan.

(iii) Dividend payout ratio
Reason for this choice: This item has been adopted to align values with the shareholders.

(iv) Total Shareholder Return (TSR: total shareholder yield including dividends)
Reason for this choice: This item has been adopted to align values with the shareholders.

(v) Safe operations KPI
Reason for this choice: This item has been adopted to ensure completely safe operations while taking into consideration ESG perspectives.

(vi) Qualitative indicators: Achievement rates of specific measures for the following strategic items
- Portfolio Strategy: Strengthening of non-shipping businesses (offshore, offshore wind power, logistics, real property)
- Environmental Strategy: Initiatives to resolve environmental issues with stakeholders and contributions to the sustainable development of people, society and earth
- Regional Strategy: Acquisition of large-scale projects, which are not limited to transportation, with focus on Asia by demonstrating MOL Group's collective strength
- DX: Full-scale DX initiatives
- Enhancement of Organizational Strength / Work Style Reform / Safety: Setting human capital initiatives as top priority including securing and training excellent crewmembers as a foundation for aggressive future investment
- Governance: Continuous efforts to further enhance governance

Reason for this choice: These items have been adopted as indicators because they are strategic items set forth in the management plan.
Concerning the actual results of performance indicators in the fiscal period under review, for (i) consolidated ordinary profit/loss and (ii) ROE, please see "4. Financial Position and Results of Operations" provided on page 42. (iii) Dividend payout ratio is based on the premise of 30%, which reflects fiscal year 2023 actual results. (iv) TSR is rated slightly above the standard as a result of

favorable stock price. (v) Safe operations KPI is rated below the target as a result of a fatal work-related accident(s) and long-term suspension(s) of vessel operations. In (vi) qualitative indicators, overall performance in various initiatives was evaluated at a level higher than the standard.

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

(4) Matters concerning resolution at the General Meeting of Shareholders on remuneration, etc. of directors and audit & supervisory board members.
The dates of resolutions on the remunerations, etc. of the Company's officers at the General Meetings of Shareholders are as follows:
The amount of monthly remuneration of directors (24 directors) was resolved on June 28, 1990 in the amount of not more than ¥46 million in total; the amount of monthly remuneration of audit & supervisory board members (four (4) audit & supervisory board members, two (2) of whom are outside audit & supervisory board members) was resolved on June 21, 2022 in the amount of not more than ¥12 million in total; the amount of single fiscal year performance-based compensation of directors (eight (8) directors, three (3) of whom are outside directors) was resolved on June 21, 2022 in the annual amount of not more than ¥1.0 billion in total; the performance-linked stock compensation of directors (nine (9) directors, three (3) of whom are outside directors) was resolved on June 22, 2021 in the number of not more than 375,000 shares (after the stock split implemented on April 1, 2022) and in the amount of not more than ¥550 million with respect to each evaluation period (the period from the beginning of each fiscal year to the end of that fiscal year and the period from July 1 of each fiscal year to the end of June of fiscal year which is three fiscal years after the said fiscal year); and the amount of non-performance-linked stock compensation for non-executive directors including outside directors (eight (8) directors, three (3) of whom are outside directors) was resolved on June 21, 2022 in the number of not more than 210,000 shares (after the stock split implemented on April 1, 2022) and in the amount of not more than ¥100 million each fiscal year.

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

3. Outline of Contents of Limited Liability Contract

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

4. Outline of Contents of Indemnification Agreement

The Company has executed a corporate indemnification agreement stipulated in Article 430-2 Paragraph 1 of the Companies Act with Directors Junichiro Ikeda, Takeshi Hashimoto, Toshiaki Tanaka, Junko Moro, Hisashi Umemura, Hideto Fujii, Etsuko Katsu, Masaru Onishi and Mitsunobu Koshiba, and Audit & Supervisory Board Members Masanori Kato, Yutaka Hinooka, Satoru Mitsumori and Fumiko Takeda, wherein the Company indemnifies them from costs within the scope of law in item (1) of the same paragraph and from losses in item (2) of the same paragraph. In order to ensure that the proper performance of duties is not compromised, the necessity and scope of compensation shall be resolved by the Board of Directors before the compensation is awarded.

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

The Company has entered into a directors and officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. This policy covers the damages such as compensation of damages and litigation expenses for which the insured assumes in cases where a damage claim has been filed due to any acts engaged by the insured based on the insured's position in the Company. In FY2023, the insureds in this policy are persons who perform important duties of the Company such as directors, audit & supervisory board members, executive officers, group executive officers and other important employees of the Company. The Company will bear the entire amount of insurance premiums.
The subsidiaries for which executive officers of the Company or group executive officers have executive responsibility are also insured parties under said insurance policies.
In order not to undermine the appropriateness of the performance of duties of the insured, the above policy does not cover damages caused by certain actions such as any acts engaged by the insured for personal gain or benefits or any acts engaged by the insured while being aware that such acts are criminal acts or are in violation of laws and regulations.

[Translation for Reference and Convenience Purposes Only]

6. Matters Concerning Outside Officers

Major activities and significant concurrent positions outside the Company

Outside Directors

Name	Overview of Major Activities and Duties Carried Out in Relation to Expected Role	Significant Concurrent Positions Outside the Company
Hideto Fujii	Attended all twelve (12) board meetings held in the fiscal year under review and made statements necessary for discussing proposals based on his deep insights into Japan's economic management and policy finance, from the objective viewpoint of an outside director. Furthermore, attended all seven (7) Nomination Advisory Committee meetings and seven (7) Remuneration Advisory Committee meetings held in the fiscal year under review as a member of both committees, and was responsible for the supervisory function with regard to the selection of candidates for officer of the Company, remuneration for directors, etc. from an objective and neutral standpoint.	Adviser, Sumitomo Corporation Councilor, Takanashi Foundation for Historical Science
Etsuko Katsu	Attended all twelve (12) board meetings held in the fiscal year under review and made statements necessary for discussing proposals based on her deep insights as a specialist on international finance in addition to her experience participating in university management and knowledge regarding global human resource development, from the objective viewpoint of an outside director. Furthermore, attended six (6) out of seven (7) Nomination Advisory Committee meetings and all seven (7) Remuneration Advisory Committee meetings held in the fiscal year under review as a member of both committees, and was responsible for the supervisory function with regard to the selection of candidates for officer of the Company, remuneration for directors, etc. from an objective and neutral standpoint.	Professor, School of Political Science and Economics, Meiji University Chairman, Fund Management Advisory Committee, The Japan Foundation Member, Council for Science, Technology and Innovation, Ministry of Education, Culture, Sports, Science and Technology

Name	Overview of Major Activities and Duties Carried Out in Relation to Expected Role	Significant Concurrent Positions Outside the Company
Masaru Onishi	Attended all twelve (12) board meetings held in the fiscal year under review and made statements necessary for discussing proposals based on his practical and multifaceted perspective cultivated as a corporate manager, from the objective knowledge of an outside director. Furthermore, attended all seven (7) Nomination Advisory Committee meetings and seven (7) Remuneration Advisory Committee meetings held in the fiscal year under review as a member of both committees, and was responsible for the supervisory function with regard to the selection of candidates for officer of the Company, remuneration for directors, etc. from an objective and neutral standpoint.	Trustee, KEIZAI DOYUKAI (Japan Association of Corporate Executives) Trustee, International University of Japan Visiting Professor, Toyo University Outside Director, TEIJIN LIMITED Outside Director, Kadoya Sesame Mills Incorporated Senior Advisor, Alton Aviation Consultancy Japan Co., Ltd. Outside Director, Benesse Holdings, Inc.
Mitsunobu Koshiba	Attended nine (9) out of ten (10) board meetings held in the fiscal year under review since his appointment on June 20, 2023, and made statements necessary for discussion of proposals based on his wealth of experience, broad insight, and proven track record in business management and operation of the Board of Directors from the objective viewpoint of an outside director. Furthermore, attended five (5) out of six (6) Nomination Advisory Committee meetings and all four (4) Remuneration Advisory Committee meetings held since his appointment on June 20, 2023 as a member of both committees, and was responsible for the supervisory function with regard to the selection of candidates for officer of the Company, remuneration for directors, etc. from an objective and neutral standpoint.	Chairman Emeritus, JSR Corporation External Director, A Holdings Corporation Outside Director, TBM Co., Ltd. Outside Director, Rapidus Corporation

Outside Audit & Supervisory Board Members

Name	Overview of Major Activities and Duties Carried Out in Relation to Expected Role	Significant Concurrent Positions Outside the Company
Satoru Mitsumori	Attended all twelve (12) board meetings, all twelve (12) audit & supervisory board members' meetings and six (6) out of seven (7) Nomination Advisory Committee meetings held in the fiscal year under review and made statements necessary for discussion of proposals based on his extensive experience and deep insights as an attorney, from the objective viewpoint of an outside audit & supervisory board member.	Director, AZABU GAKUEN Audit & Supervisory Board Member, Kur & Hotel Co., Ltd. Representative Director, Japan Association for Business Recovery
Fumiko Takeda	Attended all ten (10) board meetings, all ten (10) audit & supervisory board members' meetings, and all four (4) Nomination Advisory Committee meetings held in the fiscal year under review since her appointment on June 20, 2023, and made statements necessary for discussion of	Member, Antitrust Association, Japan Fair Trade Commission Professor, Graduate School of Business Administration, Keio University

	proposals based on her many years of experience as a researcher and professor with considerable knowledge in accounting, economics and finance from the objective viewpoint of an outside audit & supervisory board member.	

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

7. Status of the Accounting Auditor

(1) Name of Accounting Auditor KPMG AZSA LLC

(2) Compensations to the Accounting Auditor

(¥ million)

	Amount of Compensations Paid
Compensations paid for the fiscal year under review	148
Total of cash and other economic benefits payable by the Company and its subsidiaries to the Accounting Auditor	249

Notes:
1. Figures less than one million yen are rounded down to the nearest million.
2. The audit agreement entered into by the Company and the Accounting Auditor does not clearly distinguish the amount being derived from the audit under the Companies Act and that which is being derived from the audit under the Financial Instruments and Exchange Act and cannot practically distinguish between the two types, therefore, the amount of compensations paid to the Accounting Auditor for the fiscal year under review is the total of these amounts.
3. The Audit & Supervisory Board of the Company has given its consent to the compensations to the Accounting Auditor for the fiscal year under review as stipulated in Article 399, paragraph (1) of the Companies Act, after the Audit & Supervisory Board reviewed the descriptions in the audit plan, the Accounting Auditor's performance of its duties, the basis for calculating the estimated compensation, audit hours, and historical changes of compensations and other factors, and concluded that the compensations to the Accounting Auditor for the fiscal year under review are appropriate in view of efficiency of the audit and quality of audit delivered.
4. Out of the Company's significant subsidiaries, MOL Techno-Trade, Ltd., MOL Energia Pte. Ltd., and MOL Chemical Tankers Pte. Ltd. are subject to audits of their financial statements by a certified public accountant or an audit corporation (including parties holding qualifications comparable to those of a certified public accountant or an audit corporation in a country besides Japan) other than the Accounting Auditor of the Company (provided, however, that such audits fall under the provisions of the Companies Act or the Financial Instruments and Exchange Act of Japan (or foreign laws comparable to the said Acts)).

(3) Contents of Non-audit Services

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

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

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

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

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

[Translation for Reference and Convenience Purposes Only]

8. System to Ensure Appropriateness of Operations

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

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

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

<Compliance>

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

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

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

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

<Corporate governance>

(e) The Company has set forth the MOL Group Three Basic Principles of Corporate Governance and the MOL Group Corporate Governance Policy, which serve as conduct standards for all officers and employees of the Group, and strives actively and continuously to enhance corporate governance.

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

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

(h) The Board of Directors will make efforts to create an environment that enables audit & supervisory board members to audit the execution of duties by the directors, executive officers and employees according to the audit policies specified by the Rules of the Audit & Supervisory Board and the standards of the audit & supervisory board members' audit and fulfill their missions as provided for by other laws and regulations.

(i) The Company establishes the Corporate Audit Division, which is independent from any other positions and receives directions from the President. The Corporate Audit Division conducts internal audits periodically and when necessary based on the Rules of Internal Audit.

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) The Company shall manage, on a company-wide basis, irreversible changes in the external environment that affect the Company's business, the probability of occurrence and the degree of impact of which cannot be quantitatively determined. For those identified as significant risk scenarios, the Board of Directors, in accordance with the basic management policy, will discuss the impact on the Company's business and possible countermeasures that can be taken, by taking into account the latest indicative information and expert opinions.

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

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

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

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

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

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

vi) System to Ensure the Reliability of Financial Reporting

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

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

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

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

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

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

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

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

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

(a) In order to assist in the audit & supervisory board members' duties, an Assistant will be appointed from the Company's employees.
(b) Personnel evaluation on the Assistant will be conducted by the audit & supervisory board members, and the personnel change of the Assistant will be decided upon obtaining approval of the Audit & Supervisory Board.
(c) An Assistant generally may not concurrently be in a position involved in execution of business.
(d) The audit & supervisory board members will consider the matters necessary to ensure the independence of the Assistants and the effectiveness of their instructions to the Assistant, including the clarification of the following matters:
  1) The authority of the Assistants (including, among other things, the authority to investigate and collect information, as well as the authority to attend meetings at the direction of the audit & supervisory board members as necessary);
  2) The authority of audit & supervisory board members to give directions and orders to Assistants;
  3) Securing the expenses related to the activities of Assistants; and
  4) The system for the Corporate Audit Division and other departments to cooperate with Assistants.

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

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

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

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

The following is an overview of the operation status of the system to ensure the appropriateness of operations.

i) Compliance

(a) The Company has internal rules and regulations including the code of conduct to be observed by officers and employees of the MOL Group companies, the Compliance Policy, and other policies in line with laws and regulations, such as the Rules of Conduct Related to Antitrust Laws, Anti-Corruption Policy, Rules of Insider Trading Prevention and Rules of Personal Information Management. The Company also holds internal training, seminars, e-learning training and other learning activities for officers and employees of domestic and international MOL Group companies in order to provide a better understanding of such rules and regulations and to ensure and enhance their awareness on compliance.

(b) The Company clarifies the personnel accountable for compliance by appointing Compliance Officers, who are responsible for enforcing compliance regulations within divisions and branch offices, and the Chief Compliance Legal Officer (CCLO), who is accountable for developing and strengthening the compliance system as well as supervising Compliance Officers. The Compliance Committee, which the Company has established as a subordinate organization of the Executive Committee, holds quarterly meetings, and fulfills its role by enhancing and thoroughly implementing the compliance system across the Group and by deciding on measures against compliance violations among other things. The Board of Directors and the Executive Committee receive semi-annual reports on compliance activities and have discussions to ensure and improve compliance.

(c) Upon discovering behavior suspected of violating compliance, officers and employees are expected to report to and consult with the compliance officer of their division or branch office or the Compliance Committee secretariat. However, an external Compliance Advisory Service Desk is also provided for cases where it is difficult to report to or consult with the Compliance Officer or a General Manager of the Corporate Audit Division, who oversees both the Compliance Committee secretariat and the internal Compliance Advisory Service Desk, cases where it is deemed necessary and appropriate, or cases where behavior that is a violation or suspected violation involves directors, audit & supervisory board members, executive officers, including Group executive officers, or a General Manager of the Corporate Audit Division. The behaviors reported to and consulted with the external Compliance Advisory Service Desk shall be investigated under strict confidence and the necessary rectification measures will immediately be taken if violations are recognized. In addition, the Company designates one month out of each year as "Compliance Strengthening Month," during which it makes efforts to collect a wide range of information regarding compliance from officers and employees.

ii) Corporate Governance

(a) The Board of Directors, as the Company's central decision-making body, deliberates and decides on basic policy and the most important matters relating to MOL Group management, and supervises business operations among other things. The Board of Directors held 12 meetings during FY2023.

(b) In order to make the supervision of executive directors by independent outside directors further effective, the Company has established the Nomination Advisory Committee and the Remuneration Advisory Committee, which are comprised of Chairman, President and all independent outside directors and in which independent outside directors form a majority of the members. These Committees discuss matters related to the selection and dismissal of directors and executive officers, the successor development plan for the President and CEO, and the remuneration and treatment, and report them to the Board of Directors. In FY2023, the Nomination Advisory Committee held 7 meetings and the Remuneration Advisory Committee held 7 meetings.

(c) Under the Board of Directors, the Company has established the Corporate Governance Council, which is comprised of inside directors, including Chairman and President, all independent outside directors, inside audit & supervisory board members, and independent outside audit & supervisory board members. The council freely discusses the broad direction of the Company's corporate governance overall, and provides advice and reports to the Board of Directors. The Corporate Governance Council held 5 meetings during FY2023.

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

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

iii) Risk Management

(Management of Risk that May Cause Losses)

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

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

(c) Furthermore, among irreversible changes in the external environment that affect the Company's business, those for which the probability of occurrence or the degree of impact cannot be quantitatively determined are defined as "emerging risks." In recent years, addressing emerging risks has become increasingly important in terms of risk management, and the Company aims to introduce a system to manage emerging risks across the entire company and for the Board of Directors to make decisions on appropriate countermeasures.

(d) As a company that operates roughly 800 vessels of various types and offshore plants which are centered around marine transport and that provides social infrastructure, some of the most serious risks are damage to ships and cargo or injury to crew members caused by vessel collisions, ships running aground, fires and other accidents, as well as environmental pollution from leakage of cargo oil and bunker oil (oil spills). In order to prevent accidents from occurring, the Company takes various measures from intangible and tangible aspects, such as training and supervising crew members and maintenance of hull specification which effectively ensures safety, in close coordination with the Company's Headquarters of Safety Operations and sales divisions, shipowners (for chartered vessels), and ship management companies, regardless of whether a vessel is owned or chartered. The Company also makes a variety of preparations to counter the dangers of piracy and terrorism such as providing sufficient training, setting precise operational rules, providing support from land, and installing necessary equipment.

In order to avoid any significant impact on MOL's business performance in the event of damage to the Company or related parties in the event that an unavoidable accident occurs despite our best efforts, and in order to ensure securing sufficient funds, the MOL Group carries the necessary amounts of various insurance policies (liability insurance, hull insurance, war insurance, and insurance for loss from suspended operations) to prepare for such an event.

In light of the oil spill that resulted after the WAKASHIO (Capesize bulker chartered from a subsidiary of Nagashiki Shipping Co., Ltd.), ran aground off Mauritius in July 2020, the Company reviewed the support system, not only from the perspective of vessels on site, but also from the perspective of the Company on land, and reviewed the management system of the vessel owners and vessel management companies. In addition, the Company has established the Crisis Control Headquarters, headed by the President, as an organization to implement crisis countermeasures by uniting the MOL Group as one while taking the social impact into consideration responding appropriately and promptly to strive for business continuity and maintenance of corporate value in the case of accidents, events or situations such as this, which may have a significant impact on the business activities of the Company or the MOL Group as a whole (crisis) and go beyond the framework of the existing Emergency Control Headquarters for Serious Marine Accidents.

(e) Climate change such as global warming can present a danger to safe ship operations by causing more severe weather and sea events. The movement toward decarbonization to combat climate change also has the potential to drastically change the business environment for the Company, which requires large volumes of bunker oil and transports various kinds of fossil energy as a main cargo, in the form of higher costs to comply with public regulations, etc. and structural reduction in transport demands among other things. The Company sets a goal in "MOL Group Environmental Vision 2.2," in which the Company aims to achieve net zero GHG emissions by 2050 and which is in tune with these trends, has formulated and announced a road map for achieving this goal, and is in the process of introducing clean alternative fuels and energy-saving technologies and enhancing efficient fleet operations among other things. Furthermore, by developing and providing alternative fuel transportation and solutions for low-carbon or decarbonization, the Company will boost new demands from the trend of decarbonization and make this trend a business opportunity. The Company will visualize the overall picture of its climate change risks and formulate policies to deal with them by using the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

(f) In order to maintain the operation of vessels and fulfill its social role in supporting the supply chain even at the time of occurrence of major earthquake or other disaster, the Company has established a BCP manual, has satellite offices and backup systems in place, and provides sufficient training. The Company has also established a work system that enables all the officers and employees of the Company's head office to work remotely through the use of cloud-based tools by distributing laptop computers to them.

(g) The Company has initiated discussions on risk mapping analysis on customer credit risk and country risk, including what is going on in the world, and is working to understand the degree of impact from them. In addition, the "asset risk control" described above is currently being developed into a mechanism that can more appropriately measure risk amounts, including country risk, customer credit risk and MOL Group company business risk. With regard to the current situation involving Russia and Ukraine, the Company will comply with the sanctions against the Russian Federation in cooperation with the international community, while responding appropriately to the situation in accordance with the policy of the Japanese government by continuing to have discussions with various parties including business partners.

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

iv) Management of MOL Group companies

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

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

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

v) Audit by Audit & Supervisory Board Members

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

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

(c) The Company has established the Audit & Supervisory Board Members' Office under the Audit & Supervisory Board to support the duties of the Audit & Supervisory Board and audit & supervisory board members and assigns the dedicated staff member to provide support.

vi) Internal Audits

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

[Translation for Reference and Convenience Purposes Only]

Consolidated Financial Statements

Consolidated Balance Sheets

(¥ million)

	As of March 31, 2024	As of March 31, 2023
	Amount	Amount
(Assets)		
Current assets	**465,796**	**438,541**
Cash and deposits	117,919	93,961
Trade receivables	137,790	124,134
Contract assets	10,827	8,329
Marketable securities	–	500
Inventories	56,117	50,787
Deferred and prepaid expenses	27,082	26,820
Other current assets	117,543	135,669
Allowance for doubtful accounts	(1,484)	(1,662)
Fixed assets	**3,654,756**	**3,125,705**
(Tangible fixed assets)	**1,654,521**	**1,342,240**
Vessels	831,120	708,682
Buildings and structures	146,595	132,943
Equipment and others	13,432	25,227
Furniture and fixtures	7,031	5,585
Land	354,904	299,710
Construction in progress	292,660	162,234
Other tangible fixed assets	8,776	7,856
(Intangible fixed assets)	**69,200**	**36,739**
(Investments and other assets)	**1,931,034**	**1,746,726**
Investment securities	1,669,605	1,430,873
Long-term loans receivable	101,274	116,893
Long-term prepaid expenses	7,642	8,550
Net defined benefit assets	37,268	20,987
Deferred tax assets	2,435	2,058
Other investments and other assets	118,159	191,173
Allowance for doubtful accounts	(5,353)	(23,811)
Total Assets	**4,120,552**	**3,564,247**

[Translation for Reference and Convenience Purposes Only]

(¥ million)

	As of March 31, 2024	As of March 31, 2023
	Amount	Amount
(Liabilities)		
Current liabilities	**647,342**	**669,176**
Trade payables	112,497	99,872
Short-term bonds	44,600	30,000
Short-term bank loans	249,519	339,354
Commercial papers	80,000	80,000
Accrued income taxes	33,627	6,979
Advances received	3,000	2,493
Contract liabilities	35,639	31,006
Provision for bonuses	9,466	11,660
Provision for directors' bonuses	264	829
Provision for share-based payments	324	113
Provision for loss on contracts	761	4,700
Other current liabilities	77,639	62,165
Fixed liabilities	**1,103,527**	**957,449**
Bonds	156,600	159,500
Long-term bank loans	706,077	524,801
Lease liabilities	53,961	17,509
Deferred tax liabilities	95,662	84,870
Net defined benefit liabilities	10,060	9,188
Provision for share-based payments	848	605
Provision for periodic drydocking	22,411	19,078
Provision for loss on guarantees	1,741	1,535
Provision for loss on contracts	6,694	7,057
Other fixed liabilities	49,470	133,302
Total Liabilities	**1,750,869**	**1,626,626**
(Net Assets)		
Owners' equity	**1,868,189**	**1,636,614**
Common stock	66,001	65,589
Capital surplus	117,132	–
Retained earnings	1,685,143	1,571,582
Treasury stock	(88)	(558)
Accumulated other comprehensive income	**485,670**	**288,732**
Unrealized holding gains on available-for-sale securities, net of tax	76,888	32,472
Unrealized gains on hedging derivatives, net of tax	84,890	77,590
Foreign currency translation adjustments	306,990	171,647
Remeasurements of defined benefit plans, net of tax	16,902	7,021
Share option	**315**	**550**
Non-controlling interests	**15,506**	**11,724**
Total Net Assets	**2,369,682**	**1,937,621**
Total Liabilities and Net Assets	**4,120,552**	**3,564,247**

Consolidated Statements of Income

(¥ million)

	FY2023 (From April 1, 2023 to March 31, 2024)	FY2022 (From April 1, 2022 to March 31, 2023)
	Amount	Amount
Shipping and other revenues	**1,627,912**	**1,611,984**
Shipping and other expenses	1,378,965	1,376,504
Gross operating income	**248,947**	**235,479**
Selling, general and administrative expenses	145,814	126,770
Operating profit	**103,132**	**108,709**
Non-operating income		
Interest income	19,601	14,473
Dividend income	13,174	7,824
Equity in earnings of affiliated companies	91,917	668,435
Foreign exchange gains	31,494	23,700
Reversal of allowance for doubtful accounts	17,019	3,317
Others	4,885	8,672
Total non-operating income	**178,092**	**726,423**
Non-operating expenses		
Interest expenses	18,308	17,268
Others	3,929	6,275
Total non-operating expenses	**22,238**	**23,543**
Ordinary profit	**258,986**	**811,589**
Extraordinary income		
Gain on sales of fixed assets	12,019	9,884
Gain on sale of securities issued by subsidiaries and affiliates	13,590	34
Others	16,058	16,095
Total extraordinary income	**41,668**	**26,014**
Extraordinary losses		
Loss on sale of fixed assets	320	225
Impairment loss	1,927	4,008
Settlement payments	–	5,300
Others	2,989	8,909
Total extraordinary losses	**5,237**	**18,444**
Income before income taxes and non-controlling interests	**295,417**	**819,160**
Income taxes - current	**47,123**	**14,729**
Income taxes - deferred	**(14,578)**	**6,187**
Net income	**262,873**	**798,242**
Profit attributable to non-controlling interests	**1,221**	**2,182**
Profit attributable to owners of parent	**261,651**	**796,060**

[Translation for Reference and Convenience Purposes Only]

Consolidated Statement of Changes in Net Assets

FY2023 (April 1, 2023 – March 31, 2024)

(¥ million)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2023	65,589	–	1,571,582	(558)	1,636,614
Changes during period					
Issuance of new shares	167	167			335
Exercise of share option	244	244		114	602
Dividends of surplus			(133,879)		(133,879)
Profit attributable to owners of parent			261,651		261,651
Net changes in retained earnings from changes in scope of consolidation or equity method		389	6,720		7,110
Purchase of treasury stock				(71)	(71)
Disposal of treasury stock			(22)	426	403
Sale of shares of consolidated subsidiaries		116,331			116,331
Change in equity in subsidiaries under our affiliated companies using equity method			(20,908)		(20,908)
Net changes of items other than shareholders' equity					–
Total changes of items during period	411	117,132	113,561	469	231,575
Balance at March 31, 2024	66,001	117,132	1,685,143	(88)	1,868,189

[Translation for Reference and Convenience Purposes Only]

(¥ million)

	Accumulated other comprehensive income					Share option	Non-controlling interests	Total net assets
	Unrealized holding gains on available-for-sale securities, net of tax	Unrealized gains on hedging derivatives, net of tax	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans, net of tax	Total accumulated other comprehensive income			
Balance at April 1, 2023	32,472	77,590	171,647	7,021	288,732	550	11,724	1,937,621
Changes during period								
Issuance of new shares								335
Exercise of share option						(219)		383
Dividends of surplus								(133,879)
Profit attributable to owners of parent								261,651
Net changes in retained earnings from changes in scope of consolidation or equity method								7,110
Purchase of treasury stock								(71)
Disposal of treasury stock								403
Sale of shares of consolidated subsidiaries								116,331
Change in equity in subsidiaries under our affiliated companies using equity method								(20,908)
Net changes of items other than shareholders' equity	44,415	7,300	135,342	9,880	196,938	(14)	3,782	200,706
Total changes of items during period	44,415	7,300	135,342	9,880	196,938	(234)	3,782	432,061
Balance at March 31, 2024	76,888	84,890	306,990	16,902	485,670	315	15,506	2,369,682

[Translation for Reference and Convenience Purposes Only]

Notes to Consolidated Financial Statements

Significant Matters for Basis of Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 422

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

(3) Name of principal non-consolidated subsidiary: EIWA SANGYO, LTD.

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

2. Application of equity method accounting

(1) Number of equity method affiliates

Non-consolidated subsidiaries:	2
Affiliates:	121

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

(3) Name of principal non-consolidated subsidiary that is not accounted under the equity method:
EIWA SANGYO, LTD.

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

(5) Reason for exclusion from the scope of applying the equity method accounting
Net income and retained earnings (based on the Group's equity interest) of affiliates that are not accounted under the equity method are not significant.

(6) Matters that are found particularly necessary to be stated with regard to the procedure for application of the equity method
For equity method affiliates whose balance sheet date differs from the consolidated balance sheet date, the financial statements for the most recent fiscal year of such companies are used.

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

(1) Scope of consolidation
54 companies have been newly included in the scope of consolidation from this fiscal year due to the increase in materiality, purchase of shares and other reasons. 19 companies have been excluded from the scope of consolidation due to completion of liquidation, share transfer, and other reasons. 2 companies have been transferred from equity method affiliates to consolidated subsidiaries due to additional share acquisition.
The 54 newly consolidated subsidiaries include 32 subsidiaries whose materiality in the MOL Group's management control has increased from this fiscal year based on the review of management accounting segments.

(2) Scope of applying the equity method accounting
4 companies have been newly included in the scope of equity method application from this fiscal year due to the increase in materiality. 3 companies have been excluded from the scope of consolidation due to completion of liquidation and other reasons. 2 companies have been transferred from equity method affiliates to consolidated subsidiaries due to additional share acquisition.

4. Significant accounting policies

(1) Bases and methods of valuation of assets

Securities

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

(2) Depreciation methods for fixed assets

Tangible fixed assets (excluding leased assets)

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

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

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

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

Leased assets

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

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

(3) Accounting treatment for deferred assets

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

(4) Accounting for allowances and provisions

Allowance for doubtful accounts

Allowance for general receivables is based on historical default rate.

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

Provision for bonuses

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

Provision for directors' bonuses

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

Provision for share-based payments

The Company records provision for granting Company stock, etc. under the stock compensation plan based on the estimated number of shares, etc. granted as of the end of the fiscal year.

Provision for loss on guarantees

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

Provision for loss on contracts

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

Provision for periodic drydocking

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

(5) Recognition of significant revenues and expenses

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

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

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

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

Certain consolidated subsidiaries involved in the Car Carriers, Terminal and Logistics Businesses, and Ferries, Coastal RoRo Ships and Cruise Businesses provide services such as air and sea forwarding and land transport, and revenue is recognized mainly over the duration of the transportation period.

(6) Hedge accounting

Hedge accounting

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

Hedging instruments and hedged items

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

Hedging policy

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

Method of evaluating the effectiveness of hedges

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

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

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

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

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

(8) Other significant matters for the preparation of consolidated financial statements
Accounting for retirement benefits
Net defined benefit assets/liabilities are recorded based on estimates of retirement benefit obligations and pension assets as of the end of the fiscal year in order to prepare for payment of retirement benefits to employees. Unrecognized actuarial gains/losses are amortized by the straight-line method over a period that does not exceed the employees' estimated remaining service period (generally 10 years) from the next fiscal year. Prior service costs are generally expensed as incurred.

Notes to Changes in Presentations

(Consolidated balance sheets)

"Provision for directors' and audit & supervisory board members' retirement benefits," which was separately disclosed under "Fixed liabilities" in the previous consolidated fiscal year, is included in "Other fixed liabilities" from this consolidated fiscal year due to the decrease in materiality. "Provision for directors' and audit & supervisory board members' retirement benefits" for the previous consolidated fiscal year was ¥750 million.

(Consolidated statements of income)

"Reversal of allowance for doubtful accounts," which was included in "Other non-operating income" in the previous consolidated fiscal year, is separately disclosed in this consolidated fiscal year due to the increase in materiality. "Reversal of allowance for doubtful accounts" for the previous consolidated fiscal year was ¥3,317 million.

"Gain on sale of securities issued by subsidiaries and affiliates," which was included in "Other extraordinary income" in the previous consolidated fiscal year, is separately disclosed in this consolidated fiscal year due to the increase in materiality. "Gain on sale of securities issued by subsidiaries and affiliates" for the previous consolidated fiscal year was ¥34 million.

Notes to Accounting Estimates

(Provision for loss on contracts related to long-term charter contracts)

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

Provision for loss on contracts	¥7,456 million

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

Recognition of provision for loss on contracts is estimated from the future charter fees and vessel procurement cost related to long-term charter contracts. The estimation of the charter fees is influenced by the market trend in charter hire, etc., while the estimation of procurement cost is influenced by trends in vessel expenses such as interest on funding for capital investment in vessels and crew personnel expenses. As a result, these factors may have a significant impact on the amount of provision for loss on contracts in the consolidated financial statements for the following fiscal year.

Notes to Changes in Accounting Estimates

(Change in useful life)

The Company changed the useful life of ferries from 15 years to 20 years effective from the fiscal year under review due to the fact that when we made an assessment on the usable period of ferries by taking into consideration the use record, etc. at time of launch of the LNG-fueled ferries, it became clear that ferries are expected to have a longer useful life.

As a result, shipping and other expenses for the fiscal year decreased by ¥ 1,712 million, and operating profit, ordinary profit, and income before income taxes and non-controlling interests for the fiscal year each increased by the same amount, compared to the previous method.

[Translation for Reference and Convenience Purposes Only]

Notes to Consolidated Balance Sheets

1. Breakdown and amounts of inventories

Raw materials and supplies	¥54,283 million
Other	¥1,834 million

2. Assets pledged as collateral and secured obligations

(1) Assets pledged as collateral

Vessels	¥268,545 million
Buildings and structures	¥1,046 million
Land	¥701 million
Investment securities	¥226,143 million
Others	¥958 million
Total	¥497,396 million

(2) Secured obligations

Short-term loans	¥37,797 million
Long-term loans	¥190,794 million
Bonds	¥200 million
Total	¥228,791 million

The above pledged investment securities include the following:

a) ¥225,396 million is pledged as collateral to secure long-term loans of subsidiaries/affiliates and future payment of charter hire.

b) ¥747 million is pledged as collateral for long-term loans associated with an Offshore Business project.

3. Accumulated depreciation of tangible fixed assets ¥944,929 million

4. Contingent liabilities

Guarantee liabilities, etc.	¥121,570 million
(Guarantee liabilities in foreign currency included in above	¥116,075 million)

5. Others

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

[Translation for Reference and Convenience Purposes Only]

Notes to Consolidated Statement of Changes in Net Assets

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

Class: Common stock
Total number of shares: 362,386,058 shares

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

Class: Common stock
Number of shares: 41,575 shares

3. Dividends distribution of surplus

(1) Dividends paid

Resolution	Class of stock	Total dividends (¥ million)	Dividends per share (¥)	Record date	Effective date
Ordinary General Meeting of Shareholders June 20, 2023	Common stock	94,056	260.0	March 31, 2023	June 21, 2023
Board of Directors' Meeting October 31, 2023	Common stock	39,822	110.0	September 30, 2023	November 27, 2023

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

Resolution	Class of stock	Total dividends (¥ million)	Dividends per share (¥)	Record date	Effective date
Ordinary General Meeting of Shareholders June 25, 2024	Common stock	39,858	110.0	March 31, 2024	June 26, 2024

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

(Excluding share options yet to be effective)

Class: Common stock
Total number of shares: 959,400 shares

[Translation for Reference and Convenience Purposes Only]

Notes on Financial Instruments

1. Qualitative information on financial instruments

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

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

Notes payables and operating accounts payable which are trade payables are due within a year. Short-term loans and commercial papers are primarily used to raise short-term working capital, while long-term loans, bonds, and lease liabilities are mainly used to raise necessary funds for capital investments. Although some of them have variable interest rates and therefore are exposed to volatility risks, the MOL Group uses derivative financial instruments (interest rate swaps and interest rate cap contracts) to fix certain portions of such variable interest rates. Derivatives are used to hedge risks as discussed above. In accordance with internal policies ("Rules of Market Risk Management" and "Guideline for Market Risk Management"), the MOL Group's policy is not to use derivatives for speculative purposes.

2. Fair values of financial instruments

The book value, fair value, and differences between the two values of financial instruments at end of this fiscal year are as follows. Shares, etc. without market price (book value of ¥1,494,890 million) are not included in "Investment securities." Cash is omitted, and financial instruments settled within a short period are also omitted because their fair value is almost equivalent to book value.

(¥ million)

	Book Value	Fair Value	Difference
(1) Investment securities (*1)			
Investments in and advances to subsidiaries and affiliates	7,253	7,420	166
Available-for-sale securities	158,445	158,496	51
(2) Long-term loans receivable (*2)	104,997		
Allowance for doubtful accounts (*3)	(3,966)		
	101,030	101,865	834
Total assets	266,729	267,782	1,053
(1) Bonds (*4)	201,200	198,670	(2,529)
(2) Long-term bank loans (*5)	819,078	815,115	(3,963)
(3) Lease liabilities (*6)	67,903	68,397	493
Total liabilities	1,088,182	1,082,183	(5,999)
Derivative financial instruments (*7)	86,990	86,990	–

(*1) Investment in partnerships or comparable business entities with net amount equivalent to the equity interest recorded on the consolidated balance sheet are not included. The amount of those investments recorded on the consolidated balance sheet is ¥9,016 million.
(*2) The book value of long-term loans receivable includes current portion of ¥3,722 million.
(*3) Allowance for doubtful accounts recorded separately is excluded.
(*4) The book value of bonds includes current portion of ¥44,600 million.
(*5) The book value of long-term bank loans includes current portion of ¥113,001 million.
(*6) The book value of lease liabilities includes current portion of ¥13,942 million.
(*7) Assets and liabilities from derivative financial instruments are net. Negative amounts are stated in ( ).

(Changes in presentations)
“Lease liabilities” are added in this note from this fiscal year due to the increase in financial materiality.

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

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

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

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

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

(¥ million)

Category	Fair Value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities	158,336	–	–	158,336
Derivative financial instruments				
Currency-related	–	92,494	–	92,494
Interest-related	–	3,666	–	3,666
Others	–	245	–	245
Total assets	158,336	96,406	–	254,743
Derivative financial instruments				
Currency-related	–	3,461	–	3,461
Interest-related	–	5,914	–	5,914
Others	–	39	–	39
Total liabilities	–	9,415	–	9,415

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

(¥ million)

Category	Fair Value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Investments in and advances to subsidiaries and affiliates	7,420	–	–	7,420
Available-for-sale securities	–	160	–	160
Long-term loans receivable	–	101,865	–	101,865
Total assets	7,420	102,025	–	109,445
Bonds	–	198,670	–	198,670
Long-term bank loans	–	815,115	–	815,115
Lease liabilities	–	68,397	–	68,397
Total liabilities	–	1,082,183	–	1,082,183

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

a) Investment securities

Listed shares are valued using quoted prices. As listed shares are traded in active markets, their fair value is classified as Level 1.

The fair value of golf club membership is measured using publicly disclosed quoted prices. Although the fair value of golf club membership is measured using a quoted price, such a market is not recognized as an active market, and fair value is classified as Level 2.

The fair value of debt securities held by the Company is evaluated by discounting the total amount of principal and interest using the rate that would apply if similar bonds were subscribed to, and is classified as Level 2.

b) Derivative transactions

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

c) Long-term loans receivable

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

d) Bonds

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

e) Long-term bank loans

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

f) Lease liabilities

The fair value of lease liabilities is evaluated by discounting the total amount of principal and interest using the rate which would apply if similar lease transactions were newly made, and is classified as Level 2.

[Translation for Reference and Convenience Purposes Only]

Notes on Business Combination

(Transfer of shares in a consolidated subsidiary, etc.)

The Company has reached a decision to transfer shares in its consolidated subsidiary INTERNATIONAL TRANSPORTATION INC. (hereinafter referred to as “ITI”) through the resolution of the Board of Directors dated October 31, 2022 (hereinafter referred to as the “Share Transfer”) to two recipients (out of the two recipients, Ocean Network Express Pte. Ltd. will be hereinafter referred to as “ONE” and the other recipient as “Recipient 1”). However, as a result of Recipient 1’s analysis and consideration of the optimal ownership scheme, Recipient 1 requested a change in the scheme of the Share Transfer. After discussions with ONE and Recipient 1, the Company decided on June 20, 2023 to amend the contracts related to the Share Transfer, etc. Based on this, the transfer of shares, etc. was completed on November 2, 2023.

(Transactions under common control)

(Partial transfer of shares in a consolidated subsidiary, etc.)

1. Overview of the transaction

(1) Purpose of the transaction

TraPac, LLC (hereinafter referred to as “TraPac”), which is 100% subsidiary of ITI, has been operating a container terminal business in California, USA. Since we transferred our container shipping business to ONE, which is an affiliate accounted for using the equity method, in 2018, we have been reviewing our business portfolio strategy of container terminal businesses, and transferred the shares and other interests of ITI, the holding company of TraPac, to Recipient 1.

(2) Name and business description of the subject companies

Name: ITI

Business description: Holding company for operating container terminal business

Name: TraPac

Business description: Operation of container terminal business

(3) Date of business combination

November 1, 2023

(4) Legal form of business combination

Partial sale of shares in a subsidiary to non-controlling shareholders without changes in the scope of consolidation, etc.

(5) Name of the company after business combination

Not changed

2. Overview of accounting treatment of transaction

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

3. Matters related to changes in the Company’s equity from transaction with non-controlling interest holder

(1) Main cause of change in capital surplus

Partial sale of shares in a subsidiary without changes in the scope of consolidation, etc.

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

¥115,988 million

[Translation for Reference and Convenience Purposes Only]

(Business divestures)
(Transfer of shares in a consolidated subsidiary)

1. Overview of the business combination conducted by the subsidiary
   (1) Main reason for the business combination
   TraPac, LLC (hereinafter referred to as "TraPac"), which is 100% subsidiary of ITI, has been operating a container terminal business in California, USA. Since we transferred our container shipping business to ONE, which is an affiliate accounted for using the equity method, in 2018, we have been reviewing our business portfolio strategy of container terminal businesses, and transferred the shares and other interests of ITI, the holding company of TraPac, to a wholly owned subsidiary of ONE.

   (2) Names and business descriptions of the companies involved in the business combination
   Combined company: ITI
   Business description: Holding company for operating container terminal business

   Combining company: Wholly owned subsidiary of ONE
   Business description: Container shipping business

   (3) Date of business combination
   November 2, 2023

   (4) Overview of the transaction, including the legal form
   Share transfer with consideration received solely in the form of cash and other assets

2. Overview of accounting treatment of transaction
   The transaction was accounted for in accordance with the "Accounting Standard for Business Divestures" (ASBJ Statement No. 7, September 13, 2013) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestures" (ASBJ Guidance No. 10, January 16, 2019).
   (1) Amount of gain or loss of transfer
   Gain on sale of securities issued by subsidiaries and affiliates ¥10,997 million
   (2) Book value of the assets and liabilities of the transferred subsidiaries and their main breakdown

ITI:	Current assets	¥9 million
	Fixed assets	¥- million
	Total assets	¥9 million
	Current liabilities	¥0 million
	Fixed liabilities	¥- million
	Total liabilities	¥0 million
TraPac:	Current assets	¥12,476 million
	Fixed assets	¥131,986 million
	Total assets	¥144,463 million
	Current liabilities	¥12,597 million
	Fixed liabilities	¥104,411 million
	Total liabilities	¥117,009 million

3. Reportable segment in which the transferred subsidiaries were included
   Car Carriers, Terminal and Logistics Business

4. Approximate amount of profit or loss of the transferred subsidiaries recorded in the consolidated statements of income for FY2023

ITI:	Shipping and other revenues	¥- million
	Operating profit or loss (parentheses indicate operating loss)	(¥0 million)
TraPac:	Shipping and other revenues	¥40,380 million
	Operating profit or loss (parentheses indicate operating loss)	(¥7,303 million)

(Acquisition of shares by a consolidated subsidiary)
MOL Chemical Tankers Pte. Ltd. (hereinafter referred to as "MOLCT"), a consolidated subsidiary of the Company, acquired all shares of Fairfield Chemical Carriers Pte. Ltd. (hereinafter referred to as "FCC") for approximately US$222,848 thousand (¥31,606 million) on March 1, 2024, based on the share transfer agreement concluded at the end of September 2023. As part of this transaction, MOLCT also acquired a monetary claim against the acquired company for US$172,087 thousand (¥24,407 million).

1. Overview of the business combination
   (1) Name of the acquired company and its business description
   Acquired company: FCC
   Business description: Stainless steel multi-tank chemical tanker business

   (2) Main reason for the business combination
   In its management plan "BLUE ACTION 2035," the MOL Group positions the chemical tanker business as a business domain where market growth can be expected and, therefore, has a policy of actively investing in this area. This acquisition was carried out as part of that policy.
   Through this acquisition, MOLCT will integrate the fleets operated by FCC into its fleet of stainless steel multi-tank chemical tankers, making it one of the world's largest fleets. The Company will strengthen its highly specialized business using its strength in stainless multi-tank chemical tankers.

   (3) Date of business combination
   March 1, 2024

   (4) Legal form of business combination
   Share acquisition in exchange for cash

   (5) Name of the company after the combination
   Not changed

   (6) Percentage of voting rights acquired
   100%

   (7) Main basis for determining the acquiring company
   By acquiring the shares in exchange for cash

2. Period of the acquired company's results included in the consolidated financial statements
   As only the balance sheet of the acquired company is consolidated in the fiscal year under review, the results of the acquired company are not included in the consolidated financial statements.

3. Breakdown of the acquisition cost of the acquired company by type of consideration

Consideration for acquisition	Cash and deposits	US$222,848 thousand (¥31,606 million)
Acquisition cost		US$222,848 thousand (¥31,606 million)

The price adjustment after the share acquisition has not been completed, and the acquisition cost has not been finalized at this point.

4. Details and amount of major acquisition-related expenses
Compensation and fees for financial and legal due diligence ¥15 million

5. Amount of goodwill recognized, reason for recognition, amortization method, and amortization period
(1) Amount of goodwill recognized
¥24,904 million
The amount of goodwill recognized is a provisionally calculated amount, as the allocation of the acquisition cost has not been completed as of March 31, 2024.

(2) Reason for recognition
The goodwill mainly represents the excess earning power expected from future business development.

(3) Amortization method and amortization period
The goodwill is scheduled to be amortized over the period during which its effect is expected to occur, not exceeding 20 years. The period over which the effect is expected to occur is currently being calculated.

6. Amounts and main components of assets accepted and liabilities assumed on the date of the business combination

	(¥ million)
Current assets	8,353
Fixed assets	98,283
Total assets	106,636
Current liabilities	22,625
Fixed liabilities	77,308
Total liabilities	99,934

7. Allocation of acquisition cost
As of the end of FY2023, the Company has not completed the identification of identifiable assets and liabilities as of the date of the business combination, the fair value measurement of these assets, and the allocation of the acquisition cost. Therefore, the Company has applied a provisional accounting treatment based on reasonable information available at the time of the fiscal year-end.

8. Approximate amount of impact on the consolidated statements of income for FY2023, assuming the business combination had been completed at the beginning of FY2023, and its calculation method
The approximate amount for FY2023 is not presented because it is difficult to calculate.

[Translation for Reference and Convenience Purposes Only]

Notes on Rental Property

1. Qualitative information on rental property

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

2. Fair value of rental property

(¥ million)

Book Value	Fair Value
458,709	717,108

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

Notes on Revenue Recognition

1. Information on disaggregation of revenue gained from contracts with customers

The MOL Group's business activities are centered on the shipping business, such as providing maritime cargo transport and ship chartering services. The MOL Group mainly operates the Dry Bulk Business, the Energy Business, the Containerships Business, the Car Carriers, Terminal and Logistics Businesses, the Real Property Business, Ferries, Coastal RoRo Ships and Cruise Businesses, and the Associated Businesses. The revenues of these businesses during the fiscal year ended March 31, 2024 (including internal sales and transfers between the businesses) were ¥396,604 million, ¥451,284 million, ¥56,692 million, ¥566,813 million, ¥44,375 million, ¥64,211 million, and ¥84,459 million respectively.
Since revenue other than revenue from contracts with customers is negligible, the Company does not present revenue from contracts with customers and other revenue in separate categories.

2. Basic information for understanding revenue gained from contracts with customers

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

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

(1) Contract asset and contract liability balances, etc.

(¥ million)

	FY2023	
	Beginning balance	Ending balance
Receivables from contracts with customers		
Notes receivable – trade	1,006	698
Trade receivables	123,128	137,092
Contract assets	8,329	10,827
Contract liabilities	31,006	35,639

(*) Receivables from contracts with customers include amounts related to leasing transactions, etc., which are disclosed as such because the amounts are not material.

The balance of contract liabilities at the beginning of the fiscal year under review is generally recognized as revenue in the said fiscal year.
Changes in the balance of contract liabilities during this fiscal year were mainly due to receiving consideration in advance and satisfying performance obligations in the maritime cargo transport and ship chartering businesses. Changes in the balance of contract assets were mainly due to the recognition of revenue and transfer to receivables.

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

Per-share Information

1. Net assets per share	¥6,496.19
2. Net income per share	¥722.85

Major Subsequent Event

There are no significant events to be disclosed.

Other Notes

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

[Translation for Reference and Convenience Purposes Only]

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(¥ million)

	As of March 31, 2024	As of March 31, 2023
	Amount	Amount
(Assets)		
Current assets	**496,700**	**358,936**
Cash and deposits	29,738	30,246
Trade receivables	67,220	56,089
Contract assets	5,670	4,233
Short-term loans receivable	274,572	177,159
Advances	29,771	13,022
Marketable securities	–	500
Inventories	28,892	27,288
Deferred and prepaid expenses	13,518	13,376
Receivable from agencies	14,157	18,327
Other current assets	36,488	21,402
Allowance for doubtful accounts	(3,329)	(2,710)
Fixed assets	**1,323,430**	**1,237,020**
(Tangible fixed assets)	**174,973**	**182,861**
Vessels	138,932	153,560
Buildings	7,379	6,814
Structures and equipment	192	177
Vehicles and transportation equipment	0	5
Furniture and fixtures	1,955	609
Land	15,252	15,252
Construction in progress	5,965	2,433
Other tangible fixed assets	5,295	4,007
(Intangible fixed assets)	**14,449**	**15,204**
(Investments and other assets)	**1,134,007**	**1,038,953**
Investment securities	120,843	54,993
Investments in and advances to subsidiaries and affiliates	702,609	709,834
Long-term loans receivable	225,618	191,651
Long-term prepaid expenses	3,339	4,879
Prepaid pension costs	11,628	9,727
Long-term lease receivables	60,919	58,937
Other investments and other assets	11,759	14,725
Allowance for doubtful accounts	(2,711)	(5,796)
Total Assets	**1,820,131**	**1,595,956**

[Translation for Reference and Convenience Purposes Only]

(¥ million)

	As of March 31, 2024	As of March 31, 2023
	Amount	Amount
(Liabilities)		
Current liabilities	**441,738**	**529,727**
Trade payables	58,077	56,268
Short-term bonds	29,500	15,000
Short-term bank loans	190,998	324,014
Other payables	9,982	1,829
Accrued income taxes	27,265	1,934
Advances received	124	109
Contract liabilities	18,978	20,090
Payable to agencies	99	522
Commercial papers	80,000	80,000
Provision for bonuses	4,484	7,426
Provision for directors' bonuses	117	680
Provision for share-based payments	324	113
Provision for loss on guarantees	–	6,173
Provision for loss on contracts	966	4,905
Other current liabilities	20,818	10,660
Fixed liabilities	**529,950**	**410,619**
Bonds	94,000	94,500
Long-term bank loans	387,188	266,008
Deferred tax liabilities	23,463	12,062
Provision for share-based payments	848	605
Provision for loss on guarantees	5,292	16,790
Provision for loss on contracts	6,694	7,057
Other fixed liabilities	12,462	13,594
Total Liabilities	**971,689**	**940,347**
(Net Assets)		
Shareholders' equity	**788,091**	**632,271**
Common stock	66,001	65,589
Capital surplus	44,973	44,561
Additional paid-in capital	44,973	44,561
Retained earnings	677,206	522,679
Legal earnings reserve	8,527	8,527
Other retained earnings	668,678	514,151
Reserve for advanced depreciation	1,067	966
General reserve	46,630	46,630
Retained earnings (losses) brought forward	620,980	466,555
Treasury stock	(89)	(558)
Accumulated gains from valuation and translation adjustments	**60,034**	**22,787**
Unrealized holding gains on available-for-sale securities, net of tax	61,015	23,987
Unrealized gains (losses) on hedging derivatives, net of tax	(980)	(1,199)
Share option	**315**	**550**
Total Net Assets	**848,442**	**655,609**
Total Liabilities and Net Assets	**1,820,131**	**1,595,956**

[Translation for Reference and Convenience Purposes Only]

Non-consolidated Statements of Income

(¥ million)

	FY2023 (From April 1, 2023 to March 31, 2024)	FY2022 (From April 1, 2022 to March 31, 2023)
	Amount	Amount
Shipping and other revenues		
Shipping revenues		
Freight	562,290	562,665
Charter fees	222,597	209,952
Other shipping revenues	53,810	47,854
Total	**838,698**	**820,472**
Other operating revenue	908	903
Total shipping and other revenues	**839,607**	**821,375**
Shipping and other expenses		
Shipping expenses		
Voyage expenses	268,729	283,174
Vessels	21,928	20,010
Charter fees	374,461	351,302
Other shipping expenses	56,183	49,942
Total	**721,303**	**704,430**
Other operating expenses	625	599
Total shipping and other expenses	**721,928**	**705,030**
Gross operating income	**117,678**	**116,345**
General and administrative expenses	64,201	54,640
Operating profit	**53,476**	**61,705**
Non-operating income		
Interest and dividend income	228,559	409,793
Foreign exchange gains	9,859	3,882
Others	14,708	6,283
Total non-operating income	**253,128**	**419,959**
Non-operating expenses		
Interest expenses	12,089	9,229
Provision of allowance for doubtful accounts	–	841
Others	2,352	1,609
Total non-operating expenses	**14,441**	**11,680**
Ordinary profit	**292,163**	**469,984**
Extraordinary income		
Gain on sale of fixed assets	2,590	37
Gain on sale of investment securities	1,305	13,869
Gain on sale of securities issued by subsidiaries and affiliates	108,793	0
Gain on liquidation of subsidiaries and affiliates	34	772
Gain on reversal of share option	14	5
Others	1,920	6,332
Total extraordinary income	**114,659**	**21,018**
Extraordinary losses		
Loss on sale of fixed assets	–	8
Loss on retirement of fixed assets	89	550
Loss on sale of securities issued by subsidiaries and affiliates	76,607	–
Loss on valuation of securities issued by subsidiaries and affiliates	1,395	11,961
Loss on valuation of investment securities	180	–
Others	2,306	13,041
Total extraordinary losses	**80,579**	**25,561**
Income before income taxes	326,242	465,442
Income taxes - current	41,150	3,097
Income taxes - deferred	(3,336)	321
Net income	**288,428**	**462,022**

[Translation for Reference and Convenience Purposes Only]

Non-consolidated Statement of Changes in Net Assets

FY2023 (April 1, 2023 – March 31, 2024)

(¥ million)

	Shareholders' equity									
		Capital surplus		Retained earnings						
					Other retained earnings					
	Common stock	Additional paid-in capital	Total capital surplus	Legal earnings reserve	Reserve for advanced depreciation	General reserve	Retained earnings (losses) brought forward	Total retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2023	**65,589**	**44,561**	**44,561**	**8,527**	**966**	**46,630**	**466,555**	**522,679**	**(558)**	**632,271**
Changes during period										
Issuance of new shares	167	167	167					–		335
Exercise of share option	244	244	244					–	114	602
Dividends of surplus			–				(133,879)	(133,879)		(133,879)
Profit			–				288,428	288,428		288,428
Provision of reserve for advanced depreciation			–		143		(143)	–		–
Reversal of reserve for advanced depreciation			–		(41)		41	–		–
Purchase of treasury stock			–					–	(70)	(70)
Disposal of treasury stock			–				(22)	(22)	426	403
Net changes of items other than shareholders' equity			–					–		–
Total changes of items during Period	**411**	**411**	**411**	**–**	**101**	**–**	**154,425**	**154,526**	**469**	**155,820**
Balance at March 31, 2024	**66,001**	**44,973**	**44,973**	**8,527**	**1,067**	**46,630**	**620,980**	**677,206**	**(89)**	**788,091**

	Accumulated gains from valuation and translation adjustments				
	Unrealized holding gains on available-for-sale securities, net of tax	Unrealized gains (losses) on hedging derivatives, net of tax	Total accumulated gains from valuation and translation adjustments	Share option	Total net assets
Balance at April 1, 2023	**23,987**	**(1,199)**	**22,787**	**550**	**655,609**
Changes during period					
Issuance of new shares			–		335
Exercise of share option			–	(219)	383
Dividends of surplus			–		(133,879)
Profit			–		288,428
Provision of reserve for advanced depreciation			–		–
Reversal of reserve for advanced depreciation			–		–
Purchase of treasury stock			–		(70)
Disposal of treasury stock			–		403
Net changes of items other than shareholders' equity	37,028	218	37,247	(14)	37,232
Total changes of items during period	**37,028**	**218**	**37,247**	**(234)**	**192,832**
Balance at March 31, 2024	**61,015**	**(980)**	**60,034**	**315**	**848,442**

[Translation for Reference and Convenience Purposes Only]

Notes to Non-consolidated Financial Statements

Notes to Matters for Significant Accounting Policies

1. Bases and methods of valuation of assets

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

2. Depreciation methods for fixed assets

Tangible fixed assets (excluding leased assets)	
Vessels	Straight-line method
Buildings	Straight-line method
Other tangible fixed assets	Mainly declining-balance method The straight-line method is applied over three years for assets with an acquisition cost of ¥100,000 or more but less than ¥200,000.
Intangible fixed assets (excluding leased assets)	Straight-line method Internal use software is amortized by the straight-line method, based on the estimated useful life of 5 years.
Leased assets	Leased assets under finance leases that transfer ownership are depreciated consistently as fixed assets that the Company owns. Leased assets under finance leases other than those that transfer ownership are depreciated using the straight-line method, based on lease terms and residual value of zero.

3. Accounting treatment for deferred assets

Bond issue expenses

Expensed as incurred

Stock issue expenses

Expensed as incurred

4. Accounting for allowances and provisions

Allowance for doubtful accounts

Allowance for general receivables is based on historical default rate.

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

Provision for bonuses

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

Provision for directors' bonuses

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

Provision for share-based payments

Provision for granting the Company's stock, etc. under the stock compensation plan is based on the estimated number of shares, etc. granted as of the end of the fiscal year.

Provision for loss on guarantees

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

Provision for loss on contracts

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

Provision for employees' severance and retirement benefits

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

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

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

5. Recognition of revenues and expenses

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

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

In charter services, the provision of transport services by vessels with complete transport capabilities through the assignment of captains, crew members, etc. is deemed to be a performance obligation. Considering that this performance obligation is satisfied by providing said transport service over the duration of a contract, revenue is recognized at the amount that the Company is entitled to charge the

customer for the services rendered in accordance with Paragraph 19 of the "Implementation Guidance on Accounting Standard for Revenue Recognition."
The Company may receive consideration for certain maritime cargo transport and charter-related transactions immediately upon the satisfaction of a performance obligation, but mainly receives consideration in advance for an amount prescribed in the relevant contract. Consideration for transactions does not include a significant financing component.
Revenue from finance lease transactions is not recorded as shipping and other revenues but is instead allocated to each period as an amount equivalent to interest.

6. Hedge accounting

Hedge accounting

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

Hedging instruments and hedged items

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

Hedging policy

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

Method of evaluating the effectiveness of hedges

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

7. Accounting treatment for interest expenses

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

8. Accounting treatment for retirement benefits

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

Notes to Changes in Presentations

(Non-consolidated statements of income)

"Provision of allowance for loss on guarantees" under "Extraordinary losses," which was separately disclosed in the previous fiscal year, is included in "Others" in this fiscal year due to the decrease in materiality. "Provision of allowance for loss on guarantees" for the previous fiscal year was ¥9,611 million.

[Translation for Reference and Convenience Purposes Only]

Notes to Accounting Estimates

(Provision for loss on contracts related to long-term charter contracts)

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

Provision for loss on contracts	¥7,456 million

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

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

Notes on Changes in Accounting Estimates

(Change in useful life)

The Company has changed the useful life of ferry vessels from 15 years to 20 years from the fiscal year under review due to the fact that with the completion of the Company’s LNG-fueled ferry vessel, the Company verified the future service life of ferry vessels, taking into account their actual use and other factors, and found that their useful life is expected to be longer than the conventional useful life. Accordingly, shipping and other expenses for the fiscal year under review decreased by ¥459 million, and operating profit, ordinary profit, and income before income taxes each increased by the same amount compared with the previous method.

Notes to Non-consolidated Balance Sheets

1. To subsidiaries and affiliates

Short-term monetary lending	¥340,607 million
Long-term monetary lending	¥284,624 million
Short-term monetary debts	¥125,018 million
Long-term monetary debts	¥615 million

2. Accumulated depreciation on tangible fixed assets	¥127,973 million

3. Assets pledged as collateral and secured obligations

(1) Assets pledged as collateral

Vessels	¥44,454 million
Investment securities	¥747 million
Investments in and advances to subsidiaries and affiliates	¥122,804 million
Total	¥168,007 million

(2) Secured obligations

Short-term loans	¥5,633 million
Long-term loans	¥52,589 million
Total	¥58,223 million

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

a) Investments in and advances to subsidiaries and affiliates of ¥122,804 million are pledged as collateral to secure long-term loans of subsidiaries/affiliates and future payment of charter hire.

b) Investment securities of ¥747 million are pledged as collateral for long-term loans associated with Offshore Business projects.

4. Contingent liabilities

Guarantee liabilities, etc.	¥515,234 million
(Guarantee liabilities in foreign currency included in above	¥391,192 million)

5. Others

Since 2012, the Company is the subject of investigations by the antitrust authorities in the U.S. and other countries, on the suspicion of violations of each country’s competition laws with respect to ocean transport services of completed build-up vehicles. In addition, a class-action lawsuit was filed in the U.K., etc.

against the Company, for damage claims, a cease and desist order for the questioned conduct. Meanwhile, the effect of these investigations and lawsuit on the financial results of the Company is uncertain as its financial impact is not estimable at this stage.

Notes to Non-consolidated Statements of Income

Volume of transactions with subsidiaries and affiliates

Volume of operating transactions	
Revenues	¥206,756 million
Shipping and other expenses	¥293,125 million
Transactions other than operating transactions	¥247,408 million

Notes to Non-consolidated Statement of Changes in Net Assets

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

Common stock	32,185 shares

Notes on Deferred Tax Accounting

Significant components of deferred tax assets and liabilities

	(¥ million)
Deferred tax assets	
Tax loss brought forward	0
Retained income of specific foreign subsidiaries	50,172
Loss on valuation of available-for-sale securities	958
Voluntary adjustment of loss on valuation of securities issued by subsidiaries and affiliates	57,574
Provision for bonuses	1,288
Impairment loss	275
Allowance for doubtful accounts	1,736
Provision for loss on guarantees	1,521
Provision for loss on contracts	2,201
Transfer of charters from subsidiaries and affiliates	197
Deemed dividends	11,955
Unrealized gains (losses) on hedging derivatives, net of tax	295
Loss on guarantees	1,016
Others	9,515
Subtotal	138,711
Valuation allowance for tax loss brought forward	(0)
Valuation allowance for the total of future deductible temporary differences, etc.	(134,902)
Valuation allowance	(134,903)
Total deferred tax assets	3,807
Deferred tax liabilities	
Prepaid pension costs	(2,718)
Unrealized gains on available-for-sale securities	(24,054)
Others	(498)
Total deferred tax liabilities	(27,271)
Net deferred tax liabilities	(23,463)

[Translation for Reference and Convenience Purposes Only]

Notes on Transactions with Related Parties

(¥ million)

Attribution	Name of company	Ratio of MOL's voting rights	Nature of relationship	Nature of transaction (Note 1)	Transacted amount	Account	Term-end balance
Subsidiary	GYRO SHIPPING INC.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	31,220	-	-
	MOL FSRU Terminal (Hong Kong) Ltd.	Directly 100%	Interlocking directorate Ship chartering Debt guarantee	Debt guarantee	30,490	-	-
	Samba Offshore S.A.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	24,133	-	-
	MOG-X LNG Shipholding S.A.	Directly 100%	Interlocking directorate Debt guarantee	Debt guarantee	22,323	-	-
	Linkman Holdings Inc.	Directly 100%	Interlocking directorate Funding loan	Funding loan	118,749	Short-term loans receivable	132,751
	MOL ENCEAN PTE. LTD.	Indirectly 100%	Interlocking directorate Funding loan	Funding loan	116,400	Short-term loans receivable	116,400
	DAIBIRU CORPORATION	Directly 100%	Interlocking directorate Funding loan	Funding loan	64,600	Long-term loans receivable	118,100
	CANOPUS MARITIME, INC.	Directly 100%	Interlocking directorate Ship chartering	Recovery of lease receivables	2,319	Lease receivables (Note 2)	21,410
	MOL CHEMICAL TANKERS PTE. LTD.	Directly 100%	Interlocking directorate	Underwriting of capital increase	20,302	-	-
Affiliate (Note 3)	OCEAN NETWORK EXPRESS PTE. LTD.	- (Note 4)	Interlocking directorate Ship chartering Transfer of subsidiary shares	Transfer of subsidiary shares Transfer price Loss on transfer	 21,721 76,607	-	-

Notes: 1. Transaction conditions and policies to decide transaction conditions, etc.
(1) Debt guarantees are for borrowings from financial institutions, etc. Guarantee charges are determined upon taking into account the guarantee recipient, the form of guarantee, and other such conditions.
(2) As for funding loan, it is determined by market rates, and companies are not required to pay mortgages.
(3) As for part of the funding loans, because they involve repeated transactions, the average for this fiscal year is shown for the transacted amount.
(4) Lease payments receivable are determined giving consideration to the amount corresponding to the cost of the leased asset.
(5) The transfer of subsidiary shares is due to the transfer of shares in INTERNATIONAL TRANSPORTATION INC., the holding company of the consolidated subsidiary TraPac, LLC. The transfer price was reasonably determined through discussions after reviewing the price calculated by a third-party organization.
2. Lease receivables shown include lease receivables scheduled to be paid within one year.
3. Transactions with subsidiaries of the affiliates are included.
4. The Company owns 31% of the voting rights in Ocean Network Express Holdings, Ltd., which is the holding company owning 100% of the common shares of OCEAN NETWORK EXPRESS PTE. LTD.

Notes on Revenue Recognition

(Basic information for understanding revenue from contracts with customers)

Basic information for understanding revenue is as provided in "Notes to Matters for Significant Accounting Policies, 5. Recognition of revenues and expenses."

Per-share Information

1. Net assets per share ¥2,340.60
2. Net income per share ¥796.81

Major Subsequent Event

There are no significant events to be disclosed.

Other Notes

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