Please note that the following is an unofficial English translation of Japanese original text of Corporate Governance 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.

Corporate Governance Report

Last Update: July 1, 2020
Mitsui O.S.K. Lines, Ltd.
Junichiro Ikeda, Representative Director, President and Chief Executive Officer
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Securities Code: 9104
https://www.mol.co.jp/en/

The corporate governance of Mitsui O.S.K. Lines, Ltd. (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

◆ Basic views on corporate governance

The Company strives actively and continuously to bolster its corporate governance to ensure sustainable growth and maximize the corporate value of the MOL Group over the medium to long term based on the Group's corporate principles and long-term vision, as well as the management plan(Rolling Plan), by taking the following measures: (1) appointing two or more outside directors (the Company appointed three outside directors in the current fiscal year), (2) establishing the Nomination Advisory Committee and the Remuneration Advisory Committee, which are arbitrary organizations in which the majority of members are outside directors, as advisory bodies to the Board of Directors, and (3) establishing the Company's own criteria for judging independence, in addition to the requirements for independent officers established by the Tokyo Stock Exchange.

Because the business environment surrounding the ocean shipping business and its risk factors change rapidly, the Company must accurately determine the business environment, always confront risks appropriately, and utilize its management resources effectively in a careful balance of offense and defense in order to navigate through this difficult situation. The Company believes that the essentials of corporate governance are fostering sustainable growth and enhancing its 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 its diverse stakeholders and various other social requests.

◆ Corporate governance system of the Company

The Company believes that the appropriate form of governance, as a design of its organs, is to ensure the legality, appropriateness and efficiency of business execution by securing the effective supervising framework of the Board of Directors by creating its structure consisting of inside directors who engage in the execution of business and outside directors who do not execute business but specialize in supervisory functions, in addition to a mutual supervision and check mechanism between inside directors (concurrently serving as executive officers) who execute business, while securing the audit function of the Audit & Supervisory Board, which is independent from the Board of Directors. Based on this belief, the Company makes itself a "company with an Audit & Supervisory Board" as provided for by the Companies Act.

The Board of Directors, through its resolution, has established a basic policy for developing a system to ensure the appropriateness of operations (the 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 established by the Board of Directors and the abovementioned basic policy under the supervision of the Board of Directors and audits carried out by the Audit & Supervisory Board.

[Disclosure Based on the Principles of the Corporate Governance Code]

[Principle 1-4] <Policy for cross-shareholdings and standards for exercising voting rights as to cross-shareholdings>

◆ Policy for cross-shareholdings

The Company hold shares of companies with which the Company has important business relationships and companies with which the Company has close cooperative relationships, including business alliances, for the purpose of enhancing the growth and corporate value of the Company over the medium to long term by maintaining and strengthening these relationships.

For the shares held by the Company, the reasonability of holding them, such as the adequacy of the purpose of holding them and their profitability in light of the cost of capital, are reported to the Board of Directors for individual shares every year, and after conducting a comprehensive verification, the holding of shares for which the reasonability of holding is not recognized will gradually be reduced. From fiscal 2018 to fiscal 2019, the Company sold shares of 12 companies for 12.0 billion yen.

◆ Standards for exercising voting rights

When exercising voting rights, the Company will not determine the pros and cons of voting based on formal standards but will comprehensively examine whether or not the voting will lead to the enhancement of the Company's corporate value over the medium and long term and what impact it will have on the Company's business after fully respecting the management policy, etc. of the company whose voting rights the Company will exercise.

[Principle 1-7] <Procedures for related party transactions>

By setting the standards for submission to the Board of Directors in the Rules of the Board of Directors, the Company requires a resolution by the Board of Directors for the approval of transactions carried out by directors for themselves and their conflicting interest transactions and transactions carried out by executive officers for themselves and their conflicting interest transactions.

When conducting a transaction with a major shareholder, etc., the Company will deliberate and determine it based on the prescribed decision-making standards similar to those for transactions with third parties other than shareholders.

[Principle 2-6] <Performance of role of corporate pension as an asset owner>

To ensure that the corporate pension performs its role as an asset owner in its investment, the Company works on the appropriate investment of the corporate pension by requiring the approval of the Executive Committee for formulating guidelines for the investment management of pension assets and monitoring the investment status of pension assets as required.

In addition, for the investment of the corporate pension above, the Company assigns personnel with knowledge mainly to the Finance Division and strengthens the check function by other divisions through internal approval.

[Principle 3-1] <Enhancement of information disclosure>

(i) <Corporate principles, etc., management strategies and management plans>

1. The Company's basic management policies

The Company has set the following three core strategies in the Group Corporate Principles (formulated in April 2001).

<MOL Group Corporate Principles>

As a multi-modal transport group, we will:

(a) Actively contribute to global economic growth and development, anticipating the needs of our customers and the challenges of this new era,
(b) Strive to maximize corporate value through creativity, operating efficiency and promotion of ethical and transparent management, and
(c) Nurture and protect the natural environment by maintaining the highest standards of operational safety and navigation.

2. Business issues to address [management plans and management strategies]

The Company introduced the Rolling Plan, a management plan, in fiscal 2017 and has since been working to realize specific priority issues for each fiscal year that the Company has set, with the aim to become a group of business units with No. 1 competitiveness in respective areas. In particular, based on a forecast that the conventional marine transportation business will have difficulty gaining appropriate and stable returns due to the normalization of excess vessel supply, the Company has been working to build up stable profits into the future by investing management resources in businesses and projects where the Company can demonstrate its strength on a preferential basis, bearing financial discipline in mind.

In fiscal 2020, based on the recognition that the impact of the COVID-19 pandemic and a sharp fall in crude oil prices on the economy will exert a material influence on its management strategies, the Company has established the Rolling Plan Special Committee to first implement defensive measures and at the same time assess the impact

of COVID-19 on the global economy and the MOL Group's business based on the Company's own megatrend forecasts. On that basis, the Company will promote business by continuously setting the three core strategies for realizing the vison in the Rolling Plan 2020 in the current fiscal year, with a "return to a growth trajectory" as the priority theme.

Vision: Become a group of business units with No. 1 competitiveness in respective areas.
Three core strategies for realizing the vision:
[Portfolio strategies] Concentrated investment of management resources in the business fields where the Company has strengths, which will mainly be offshore businesses
[Business strategies] Provision of "stress-free services", which the Company will offer from the customer's perspective
[Environmental strategies] Promotion of environmental strategies and development of the emission-free business into a core business

+ Enhancement of organizational strength (Refresh organization)
- Project promotion through cross-organizational collaboration
- Group-wide improvement in productivity

<Policies to be taken (for return to a growth trajectory)>
1) Implementation of defensive measures
The Company takes the following emergency countermeasures under the supervision of the Rolling Plan Special Committee.
(i) Reduction of market exposure as a crisis response
As measures to reduce market exposure to minimize the impact on operating results, the Company will make vessel adjustments (idling of vessels, redelivery of spot-chartered vessels and disposal of vessels owned) as necessary and take steps such as hedging gains and losses using forward freight agreements.

(ii) Re-examination of investment plans
The Company will review its investment plans in an agile manner going forward in response to changes in economic conditions due to a worldwide decline in demand, while nailing down trends of the post-coronavirus global economy.

2) Assessment of the impact on business (megatrend forecasts)
Making its own megatrend forecasts, the Company assumes the impact of COVID-19 on each business of the MOL Group as follows.
i) Dry bulk business
- Business will decline year on year mainly in steel-related fields and thermal coal in 2020, and stagnation in cargo movements will continue in 2021, associated with a delay in the recovery of economic activities. Recovery to the level in 2019 will be in or after 2022.
- While domestic demand for steel in China, which makes up about half of demand and production in the world, will be maintained, there is a possibility that steel imports from ASEAN5, Europe and the United States will decrease significantly depending on the expansion of COVID-19 infection.

ii) Energy transport business
- The Company expects that market conditions for chartered tankers will decline given that demand for vessels will be dissolved from the second half of fiscal 2020 due to sharply increased offshore oil storage because of falling demand for oil and the stagnation of oil prices. Supply and demand trends in and after fiscal 2021 are uncertain.
- Oil & gas companies in the world announced the reduction of their capital expenditure budgets for the current fiscal year. Upstream investment suggests significant reduction across the board, and the cancellation and postponement of various development plans will emerge.

iii) Product transport business
- Seaborne trade of automobiles will recover to the 2019 level in or after 2023 (however, there is a possibility that the recovery will be earlier in the United States and European countries, which are the major markets, depending on their economic policies).
- Global container cargo trade will bottom out in the July-September period. Trade throughout 2020 will decline about 25% year on year. The Company assumes that trade will recover close to the 2019 level around 2022.
- In the business of ferries and coastal RoRo ships, the impact on trade is relatively small, but the number of ferry passengers has decreased sharply.

3) Offensive strategies
As a result of assessing the impact of COVID-19 based on the megatrend forecasts, the entire global economy will

show some buoyance in its recovery process. However, the Company thinks the speed of the recovery is likely to remain slow and weak. The Company has confirmed at the Rolling Plan Special Committee that each business will take one step further into the cultivation of new businesses, cost reduction and the change of business model according to its characteristics, instead of business as usual. As offensive strategies, the Company will work on growth strategies and structural reforms tailored to business characteristics.

<Specific measures of the three core strategies for realizing the vision>
The Company has set specific measures in the three core strategies for realizing the vision as follows.
(i) Portfolio strategies: Concentrated investment of management resources in the business fields where the Company has strengths, which will mainly be offshore businesses
Based on the megatrend forecasts, the Company will maintain the direction of centering on the offshore business under the recognition that the energy and the offshore businesses are the fields that will grow in the long term, although environment-related investments in these businesses will temporarily slow down. In the overall offshore business, the Company will also focus on the fields of LNG transport and handling where the Company has strengths by shifting the weight to the fields of FSRUs and LNG-to-powerships.

(ii) Business strategies: Provision of stress-free services, which the Company will offer from the customer's perspective
- Strengthening of digital marketing
The Company will maintain measures to improve customer satisfaction using ICT (aiming to strengthen the functions of MOL Lighthouse and further develop the platform)
- Development of one-stop services
The Company will work on the peripheral businesses of liquefied chemical total logistics and offshore wind power generation.
- Solution-based sales capturing environmental needs
The Company will promote LNG fuel usage and the introduction of ships using renewable energy to provide services with a low environmental burden that are required by customers.

(iii) Environmental strategies: Promotion of environmental strategies and development of the emission-free business into a core business
The Company has established the MOL Group Environmental Vision 2.0 that has more clearly shown its commitment to the achievement of IMO targets, in place of the Environmental Vision 2030, which the Company set up in the past.
[MOL Group Environmental Vision 2.0]
Facing environmental issues, the MOL Group will realize sustainable Net Zero GHG emissions by orchestrating its collective efforts.
(Medium- to long-term targets)
1) Deploy commercial "Net GHG Zero Emissions" deep sea vessels by 2030.
2) Reduce total annual GHG emissions from vessels by 50% from 2008 in 2050.
3) Achieve Net Zero GHG emissions within this century, pursuing earlier.

(iv) Enhancement of organizational strength (Refresh organization), which the Company will work on across the Group companies
1) Project promotion through cross-organizational collaboration
Orchestrate knowledge and resources that are scattered in the existing organizations of the head office and the Group companies and lead to the winning of new business by increasing their agility.
2) Group-wide improvement in productivity
Aim to improve productivity by 15% and reallocate human resources squeezed from the results to growth areas. Achieve the targets early, taking advantage of the effect of improved productivity due to the perpetuation of teleworking.

(ii) <Basic views on corporate governance>
Please refer to I. 1. "Basic Views" of this report.

(iii) <Policy and procedures for determining remuneration for directors>
The policy for remuneration for directors and the method of determination are disclosed in "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" in II. 1. "Director Remuneration" of this report.
The Company deliberates the policy and procedures for determining remuneration from an objective standpoint, focusing on the enhancement of corporate value at the Remuneration Advisory Committee chaired by an independent outside director, and the Board of Directors makes the necessary decisions by respecting the content of a report submitted by the Remuneration Advisory Committee.

(iv) <Policy and procedures for nominating candidates for directors and Audit & Supervisory Board members>
To increase the objectivity and transparency of the procedures for appointing directors, Audit & Supervisory Board members and executive officers and strengthen their accountability, the Company has established the Nomination Advisory Committee chaired by an independent outside director as an arbitrary advisory body to the Board of Directors, and the Nomination Advisory Committee submits a report to the Board of Directors by selecting candidates for directors, Audit & Supervisory Board members and executive officers in light of the appointment standards set by the Nomination Advisory Committee.

<Standards for appointing directors>

(a) Personnel who are able to contribute to enhancing the corporate value of the Company based on a wealth of experience and knowledge
(b) Personnel who are able to make management decisions globally from a broad perspective and foresight
(c) Personnel with high ethical standards and healthy common sense

The Board of Directors selects candidates for directors and Audit & Supervisory Board members and appoints executive officers by respecting a report submitted by the Nomination Advisory Committee.

Candidates for Audit & Supervisory Board members are selected in light of their experience, qualifications, skills, expertise, etc., and are deliberated by the Board of Directors after obtaining the consent of the Audit & Supervisory Board and submitted to a general meeting of shareholders. When selecting candidates, one or more candidates with sufficient knowledge of finance and accounting will be selected.

For the dismissal of executive officers including the chairman and the president, the Company has established a process by which the Nomination Advisory Committee submits a report to the Board of Directors after deliberating it at the Nomination Advisory Committee, if deemed necessary, and the Board of Directors dismisses them.
To appoint a president and CEO (hereinafter referred to as the "president") who is eligible for the Company in a timely and appropriate manner, the Company has formulated the successor plan for the president that contains requirements for the president, the appointment process of the president and a cultivation plan of candidates for the successor.
The Nomination Advisory Committee will deliberate on a plan for the next president (including the appointment and dismissal of the incumbent president) based on the successor plan and submit it to the Board of Directors.

(v) <Explanation of the selection of candidates for directors and Audit & Supervisory Board members>
The appointment of directors and Audit & Supervisory Board members is determined by the Board of Directors based on a comprehensive assessment, taking into consideration their knowledge, experience and capabilities for performing the required role appropriately, as well as their personal achievements.
The reasons for appointing individual inside and outside directors and Audit & Supervisory Board members are stated in the convocation notice of a general meeting of shareholders. In addition, the reasons for appointing outside directors and outside Audit & Supervisory Board members are also stated in II. 1. "Directors" and "Audit & Supervisory Board Members" of this report.

[Supplementary Principle 4-1-1] <Scope of matters delegated to management>
As the central decision-making body of the Company, the Board of Directors deliberates and passes resolutions on basic policies and the most important matters for the management of the MOL Group. The Board of Directors holds regular meetings about 10 times a year at appropriate intervals and passes resolutions on the formulation of management plans, decisions on large investments, the approval of a budget for each fiscal year, the approval of quarterly financial results, and strengthening of corporate governance for example. In addition, the Board of Directors also conducts a "Deliberation on Corporate Strategy and Vision" where the directors exchange opinions freely with outside directors and outside Audit & Supervisory Board members on management strategies, the long-term vision and important subjects related to the overall management.
The Company also defines the scope of matters to be resolved by the Board of Directors by establishing standards for submission to the Board of Directors in the Rules of the Board of Directors.

For the execution of business, the Company introduced the executive officer system in 2000. Executive officers who are appointed by the Board of Directors and to whom authority is delegated by the representative director work to increase the speed of management by executing business in accordance with the basic management policy determined by the Board of Directors. The Executive Committee (chairman: President), as the highest decision-making body on the execution of business, functions as a deliberative organ to make decisions on basic management plans and important issues related to the execution of business in accordance with the basic policy determined by the Board of Directors. Six committees are established as subordinates under the Executive Committee, and officers and general managers related to each issue, in addition to the members of each respective committee, attend meetings of the committees to examine and deliberate important issues to be submitted to the Executive Committee and issues across divisions.

[Principle 4-9] <Criteria for judging the independence of outside directors>
The Company has established criteria for judging the independence of outside directors and outside Audit & Supervisory Board members (hereinafter collectively referred to as "Outside Officers") as described below, and the Company will decide that the Outside Officers or candidates for the Outside Officers are independent if they are judged not to fall under any of the following items as a result of undertaking research to the extent reasonably possible in the Company.

(i) An executive*1 of the Company or its subsidiary (hereinafter collectively referred to as the "Group") or a person who was an executive of the Group in the past 10 years (however, for a person who was a non-executive director, an Audit & Supervisory Board member or an accounting advisor in the Group at some point in time in the past 10 years, 10 years before assuming these posts)
*1 The term "executive" means an executive director, an executive officer, an operating officer, and a person or an employee equivalent to these of a corporation or an organization.

(ii) A current major shareholder*2 of the Company or its executive, or a person who fell under any of these in the past three years
*2 The term "major shareholder" means a shareholder who holds 10% or more of the voting rights of the Company under its own name or another person's name at the end of the most recent fiscal year of the Company.

(iii) A person for whom the Group holds 10% or more of his/her total voting rights directly or indirectly or its executive, or a person who fell under any of these in the past three years

(iv) An executive of a company that accepts a director (irrespective of whether it is full time or part time) from the Group or the company's parent company or subsidiary, or a person who was such an executive in the past three years

(v) An executive of a financial institution or a large creditor that is essential for the financing of the Group and on which the Group is dependent to the extent that there is no substitute, or its parent company or important subsidiary

(vi) A person whose major business partner is the Group*3 or, if the person is a company, an executive of the company or its parent company or important subsidiary, or a person who fell under any of these in the past three years
*3 The term "person whose major business partner is the Group" means a person who receives a payment for 2% or more of the annual consolidated net sales of the person in its most recent fiscal year from the Group (however, if the person whose major business partner is the Group is an individual, excluding the payment of remuneration for officers from the Group).

(vii) A person who is a major business partner of the Group*4 or, if the person is a company, an executive of the company or its parent company or important subsidiary, or a person who fell under any of these in the past three years
*4 The term "major business partner of the Group" means a person who makes a payment for 2% or more of the annual consolidated net sales of the Group in the Group's most recent fiscal year to the Group.

(viii) An accounting auditor of the Group or its employee, etc., or a person who fell under any of these in the past three years

(ix) A consultant, an accounting expert or a legal expert who receives a large amount of money or other property*5 in addition to remuneration for officers from the Group (if the person who receives the property is an organization such as a corporation or an association, a person who belongs to the organization), or a person who fell under any of these in the past three years
*5 The term "large amount of money or other property" means money or another economic benefit of more than 10 million yen a year (if the person who receives the property is an organization such as a corporation or an association, money or other economic benefit that exceeds 2% of the total revenue of the organization in its most recent fiscal year) remuneration for officers in the most recent fiscal year.

(x) A person who receives a donation or aid of more than a certain amount*6 from the Group (if the person who receives the donation or aid is an organization such as a corporation or an association, an executive of the organization), or a person who fell under any of these in the past three years
*6 The term "donation or aid of more than a certain amount" means a donation or aid of more than 10 million yen a year on average for the past three fiscal years or 2% of the total revenue of the person in its most recent fiscal year, whichever is higher.

(xi) A close relative, etc.*7 of a person who falls under any of (i) through (x) above (limited to a person who is in an important position*8)
*7 The term "close relative, etc." means a spouse or a relative within the second degree of kinship.
*8 The term "person who is in an important position" means an executive director, an executive officer, an operating officer or an employee in a senior management position of general manager or above, as well as a certified public accountant among those who belong to an audit corporation or an accounting firm, a lawyer among those who belong to a law firm, an officer such as a counselor, a director or an auditor among those who belong to an incorporated foundation, an incorporated association, an incorporated educational institution or other corporation, or a person who can be objectively and reasonably judged to have equal importance.

(xii) A person with circumstances that are reasonably judged to prevent him/her from performing the duties of an independent Outside Officer because a conflict of interest with general shareholders could occur

[Supplementary Principle 4-11-1] <View of the appropriate balance among the knowledge, experience and skills of the Board of Directors and on the diversity and size of the Board of Directors>
With regard to the size of the Board of Directors, the Company's articles of incorporation stipulate that the number of members of the Board of Directors shall be 20 or less, and it now consists of five inside directors and three independent outside directors without an interest in the Company. The Board of Directors is composed of a variety of officers with different backgrounds in terms of expertise and experience, including directors with deep insights into the businesses of the Group and outside directors who supervise operations from an independent objective perspective.
With respect to the selection of candidates for directors, the Nomination Advisory Committee comprehensively examines the knowledge, experience and skills of individual persons, as well as the overall balance and size of the Board of Directors, and the Board of Directors determines the candidates by respecting a report submitted by the Nomination Advisory Committee.

[Supplementary Principle 4-11-2] <Directors also serving as directors or corporate auditors at other companies>
When determining the candidates for directors and Audit & Supervisory Board members, it is confirmed that they are in a situation that allows them to fulfill their roles and duties appropriately, including a situation regarding whether they concurrently serve as officers at other listed companies, for example. The situation regarding whether the directors and Audit & Supervisory Board members concurrently serve as officers at other listed companies is disclosed every year in the convocation notice of the general meetings of shareholders and the annual securities report.

[Supplementary Principle 4-11-3] <Overview of analysis and evaluation of the effectiveness of the Board of Directors>
The Company regards bolstering its corporate governance as an important management issue in order to remain a company that will grow sustainably. The Company defines the effectiveness of the Board of Directors as meaning that the Board of Directors fulfills its supervisory function appropriately. With regard to the evaluation of the effectiveness of the Board of Directors in fiscal 2019, the Company obtained opinions from all the directors and Audit & Supervisory Board members via a questionnaire, and the Board of Directors conducted deliberations based on the report on the questionnaire results at the meeting held in May 2020. As a result, the Company reached the conclusion that the effectiveness of its Board of Directors was generally ensured.

(1) In fiscal 2019, the Board of Directors consisted of an appropriate number of directors with a good balance, with three outside directors out of a total of eight directors. Its structure enables the members to conduct substantive deliberations while ensuring the supervisory function of the outside directors.
(2) The supervisory function of the Board of Directors, including mutual supervision and checks between directors, is fulfilled appropriately. In fiscal 2019, with regard to the review of the management plan, as well as subjects on overall management such as how the corporate principles should be and the policy on how to address large investment projects, in particular, discussions were held and appropriate deliberations were conducted, while actively incorporating the opinions of outside directors and outside Audit & Supervisory Board members, in the Deliberation on Corporate Strategy and Vision (opinions are freely exchanged among the members, including outside directors and outside Audit & Supervisory Board members, regarding management strategies, the long-term vision and other subjects on overall management for one of three hours during meetings of the Board of Directors). Other management issues were also generally deliberated and reported appropriately at the meetings of the Board of Directors.
(3) The Board of Directors' meetings were generally operated appropriately, and management plans, strategic positioning and agenda items were analyzed from multiple perspectives, including risk analysis. In fiscal 2019, the content of the deliberations using a summary sheet that encouraged the organization of outlines and issues to be discussed for agenda items were further enhanced. Board Member Discussion Sessions to share and discuss a variety of ongoing important issues other than the agenda items at an early stage gained a foothold,

and information on potential investment projects and risk cases were generally shared appropriately.

(4) The Nomination Advisory Committee and the Remuneration Advisory Committee (established arbitrarily by the Company in fiscal 2015 as bodies that deliberate the appointment and dismissal of directors and remuneration and treatment of directors and executive officers and submit reports to the Board of Directors; in both Committees, an outside director serves as the chairman, and outside directors make up the majority because the Committees are composed of three outside directors, the chairman and the president (currently three outside directors and the president)), which are advisory bodies to the Board of Directors, were operated appropriately, and the contents of their reports were respected by the Board of Directors. In fiscal 2019, for the formulation of a successor plan for the president (with content such as requirements for the president, the president selection process, and a plan to cultivate candidates for the successor), in particular, active deliberations were conducted at the Nomination Advisory Committee, and the content of the deliberations was appropriately explained.

At the same time, constructive opinions were expressed about proposals and subjects to be taken up and points to be discussed at the Board of Directors' meetings, including the Deliberation on Corporate Strategy and Vision and the Board Member Discussion Sessions, and about how to allocate time accordingly, in order to further improve the effectiveness of the Board of Directors. In addition, some expressed an opinion that focused discussions on how to respond to changes in the business environment due to the impact of COVID-19 and how medium- to long-term strategies that figure out the post-coronavirus global economic trends should be would be necessary in the future, and these points were recognized as challenges.

In light of the issues and challenges recognized in the evaluation of its effectiveness this time, the Company's Board of Directors will work to further improve its effectiveness by examining the following specific measures.

1. Organization of matters to be deliberated and discussed (guidelines)
(i) Discuss department strategies in light of overall management strategies in the Rolling Plan, the future outlook and risk assessment of areas of focus, and the reasonability of the size of resources and assets to be invested in the Deliberation on Corporate Strategy and Vision. Deliberation of individual items based on the confirmed department strategies is to be simplified.
(ii) Discuss policies to be taken for corporate governance, environmental response, SDGs and other legal and institutional requirements and requirements of shareholders and other stakeholders in the Deliberation on Corporate Strategy and Vision. Deliberation of individual items based on the confirmed policies are to be simplified.

2. Review of the outline of meetings and deliberations
- Increase in the number of the Board of Directors' meetings to be held, and the holding of the Deliberation on Corporate Strategy and Vision every time.
- Extension of the time of the Board of Directors' meetings

3. Devices to make discussions more effective
- Organization of points of issues to be referred to and discussed and an improvement in explanation methods
- Supervision of the preparation of a summary sheet (the statement of agenda items) and guidance to narrow down documents through the Corporate Planning Division
- Enhancement of prior explanations to Outside Officers
- Setting of events other than the Board of Directors' meetings (visit to vessels, seminars)

[Supplementary Principle 4-14-2] <Training policy of directors and Audit & Supervisory Board members>
The Company provides the directors and Audit & Supervisory Board members with opportunities to acquire the knowledge necessary to perform their roles and duties, and bears the expenses for them. The Company also provides the Outside Officers with opportunities to understand the details of the operations of the Company by providing them with orientation at the time of assuming office, in addition to distributing materials for the Board of Directors' meetings in advance and providing them with explanations and related information, in order to improve deliberations at the Board of Directors' meetings.
In addition to attending Board of Directors' meetings, outside directors deepen their understanding of the MOL Group's businesses through visiting ships operated by MOL Group, surveying the MOL Group's bases of activity overseas, giving lectures and participating in discussions at internal trainings, and attending Group Executive Meetings, (which are held twice a year by convening representatives from domestic group companies and involve bilateral discussions with agenda items including matters related to management plans). The outside directors incorporate this understanding in their duties as outside directors. In addition to attending Board of Directors' meetings and Audit & Supervisory Board's meetings, the outside audit & supervisory board members interview inside directors and executive officers, exchange opinions with outside directors, give lectures and carry out discussions at liaison meetings of group audit & supervisory board members, and incorporate the knowledge gained from them in their duties as outside audit & supervisory board members.

[Principle 5-1] <Policy for constructive dialogue with shareholders>
The Company states in its Group Corporate Principles that it will "strive to maximize corporate value through creativity, operating efficiency and promotion of ethical and transparent management" and discloses information and conducts IR activities in accordance with the following basic policies, standing on this principle.

1. We will fulfill our accountability to shareholders and investors by disclosing corporate and financial information in a timely manner, accurately, fairly and continuously.
2. In addition, we will work to earn the appropriate market valuation and give management feedback on market voices through proactive dialogues with shareholders and investors.

To materialize the above, the Company is developing systems and making daily efforts described below, with the president as the chief IR officer.

(a) Appoint an officer in charge of IR and establish a dedicated team in charge of IR in the Corporate Communication Division.
(b) Work to enhance fair and timely disclosure through the preparation and publication of various IR tools in Japanese and English, including results briefings and an integrated report, the posting of IR information on the website (Japanese and English) and meetings for individual investors, in addition to direct meetings with institutional investors in Japan and overseas.
(c) Report opinions received from shareholders and investors through opportunities for dialogues with them to the Board of Directors on a monthly basis.
(d) Make efforts to understand the shareholder structure by conducting a survey of substantial shareholders twice a year as a general rule.
(e) When conducting IR activities, fully enforce compliance with internal rules on the prevention of insider trading, in addition to giving our full attention to fair disclosure.

2. Capital Structure

Foreign Shareholding Ratio	More than 30%

[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan Ltd. (Trust Account)	10,517,400	8.79
Japan Trustee Services Bank, Ltd. (Trust Account)	7,800,400	6.52
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	3,213,490	2.69
Mitsui Sumitomo Insurance Company, Limited	3,016,550	2.52
Sumitomo Mitsui Banking Corporation	3,000,000	2.51
Japan Trustee Services Bank, Ltd. (Trust Account 9)	2,951,800	2.47
HSBC BANK PLC A/C CLIENTS 1	2,732,315	2.28
Japan Trustee Services Bank, Ltd. (Trust Account 5)	2,438,200	2.04
JPMorgan Chase & Co. 385151	1,958,317	1.64
Japan Trustee Services Bank, Ltd. (Trust Account 7)	1,840,500	1.54

Controlling Shareholder (except for Parent Company)	—
Parent Company	None

Supplementary Explanation

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3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section
Fiscal Year-End	March
Type of Business	Marine Transportation
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	More than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have Material Impact on Corporate Governance

The Company owns two companies, namely DAIBIRU Corporation (hereinafter referred to as "DAIBIRU") and Utoc Corporation (hereinafter referred to as "Utoc"), as listed subsidiaries.
DAIBIRU conducts the real estate business, which has different market characteristics from the shipping market, centering on the leasing of office buildings in the inner-city area of Tokyo and Osaka and contributes to profits of the MOL Group through long-term stable revenue due to the maintenance of a high level of occupancy rates. Overseas, it owns two office buildings in Vietnam and promotes the construction project of new office buildings in Sydney, Australia. Continuous growth is expected for the overseas real estate business, and the network of human resources and knowledge that DAIBIRU has been cultivating in many parts of the world for a number of years is used for the development of the overseas real estate business.
Utoc, which engages in the port, logistics and plant businesses as the mainstay operations, plays an important role in formulating the network of the Port Projects & Logistics Business of the MOL Group in Japan and overseas and contributes to the enhancement of the value of this business.
The Company believes that having these two subsidiaries has great significance in enhancing the corporate value of the MOL Group as a whole. The Company also thinks that the fact that they are listed companies demonstrates a significant benefit for the recruitment of human resources, financing and credit strength in sales activities and will contribute to the development of its business.
Both DAIBIRU and Utoc have constructed the corporate governance system through discussions at the meetings of the Board of Directors, which includes two independent outside directors as an independent listed company, and the Board of Directors supervises the operation of the corporate government system and overall management. While the Company instructs and supervises the management of its group companies based on the Rules of the Group Companies Business Management which has been established to ensure the appropriateness of operations of the entire MOL Group, with regard to DAIBIRU and Utoc, the Company maintains a high level of freedom in their management by formulating the special Rules of the Group Companies Business Management to respect the management independence of DAIBIRU and Utoc as a listed company.
In addition, the Company makes efforts to maximize the management resources of the entire MOL Group and achieve its sustainable growth and development by maintaining appropriate cooperation with both companies by regularly holding the top discussion session and other meetings.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	20
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	8
Appointment of Outside Directors	Appointed
Number of Outside Directors	3
Number of Independent Directors	3

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Hideto Fujii	From another company								Δ			
Etsuko Katsu	Academic											
Masaru Onishi	From another company											

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;
"Δ" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;
"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/ Audit & Supervisory Board member
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which and the Company outside directors/ audit & Supervisory Board members are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Hideto Fujii	○	Adviser, Sumitomo Corporation Mr. Hideto Fujii was Deputy President of Development Bank of Japan, Inc., one of the lenders to the Company, but we have decided that he has a sufficient	Mr. Hideto Fujii is in a neutral position without an interest in the Company and appropriately fulfills the role of supervising the business execution of the Company by actively making statements at the Board of Directors' meetings from an independent and fair standpoint,

		degree of independence because five years have passed since he retired from office in June 2015. <Attendance at Board of Directors' meetings in fiscal 2019> 10/10 (attendance rate 100%)	utilizing his many years of experience and knowledge as a result of being involved in the management of the economy and policy-based finance of Japan. Mr. Fujii also contributes to improvements in the transparency and objectivity of decision-making procedures at the Nomination Advisory Committee and the Remuneration Advisory Committee. He has met the requirements for independence in the judgment criteria for independent directors/auditors of the stock exchange and the "Independence Criteria for Outside Officers" of the Company.
Etsuko Katsu	○	Professor, School of Political Science and Economics, Meiji University Outside Director (Audit and Supervisory Committee Member), Dentsu Group Inc. Administrative Board Member, International Association of Universities (IAU) Chairman of Fund Management Advisory Committee, The Japan Foundation <Attendance at Board of Directors' meetings in fiscal 2019> 10/10 (attendance rate 100%)	Ms. Etsuko Katsu is in a neutral position without an interest in the Company and appropriately fulfills the role of supervising the business execution of the Company by actively making statements at the Board of Directors' meetings from a standpoint that is independent from management, which executes business based on her broad knowledge and perspective as an expert in international economics and finance, her experience in participating in the management of a university and her experience and knowledge in cultivating global human resources. Ms. Katsu also contributes to improvements in the transparency and objectivity of decision-making procedures at the Nomination Advisory Committee and the Remuneration Advisory Committee. She has met the requirements for independence in the judgment criteria for independent directors/auditors of the stock exchange and the "Independence Criteria for Outside Officers" of the Company.
Masaru Onishi	○	Trustee, KEIZAI DOYUKAI (Japan Association of Corporate Executives) Trustee, International University of Japan Visiting Professor, Toyo University Advisor, Mitsubishi Heavy Industries, Ltd. Outside Director, Teijin Limited <Attendance at Board of Directors' meetings in fiscal 2019> 8/8 (attendance rate 100%)	Mr. Masaru Onishi is in a neutral position without any interest in the Company and appropriately fulfills the role of supervising the business execution of the Company by actively making statements at the Board of Directors' meetings from a practical and diverse perspective under deep insight based on a great level of management experience from serving as Representative Director and Executive President and Representative Director and Chairman of Japan Airlines Co., Ltd. Mr. Onishi also contributes to improvements in the transparency and objectivity of decision-making procedures at the Nomination Advisory Committee and the Remuneration Advisory Committee. He has met the requirements for independence in the judgment criteria for independent directors/auditors of the stock exchange and the "Independence Criteria for Outside Officers" of the Company.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination Advisory Committee	Remuneration Advisory Committee
All Committee Members	4	4
Full-time Members	0	0
Inside Directors	1	1
Outside Directors	3	3
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation

On September 30, 2015, the Company arbitrarily established the Nomination Advisory Committee and the Remuneration Advisory Committee above as the advisory committees to the Board of Directors to improve the transparency and objectivity of the decision-making process of personnel affairs and the remuneration of directors and executive officers. The members and the chairmen of these Committees are appointed by a resolution of the Board of Directors.
Outside Audit & Supervisory Board members, in addition to the members of the Committees, are also permitted to state their opinions by attending the Committee meetings to gain an understanding of the process of deliberations.

The Nomination Advisory Committee held six meetings in fiscal 2019, and the major agenda items included "Selection process of successors of the president and CEO and their cultivation plan," "Participation of Audit & Supervisory Board members in the Nomination Advisory Committee" and "Appointment of officers (including outside officers) in fiscal 2020."
The Remuneration Advisory Committee also held five meetings in fiscal 2019 (of which, two meetings were in writing), and the major agenda items included "Bonuses for directors in fiscal 2018," "Remuneration for directors in fiscal 2019," "Remuneration system for officers" and "Participation of Audit & Supervisory Board members in the Remuneration Advisory Committee."

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members	4

Cooperation among Audit & Supervisory Board Members Accounting Auditors and Internal Audit Departments

KPMG AZSA LLC, with which the Company has entered into an audit agreement, conducts accounting audits. The Audit & Supervisory Board members and the accounting auditor strive to conduct effective accounting audits by working on the confirmation of situations and mutual understanding through exchanging information on the status of audits conducted during the period and important audit issues as required, in addition to holding regular meetings to report audit plans formulated by the accounting auditor, explain audit plans formulated by the Audit & Supervisory Board members, report on the results of quarterly reviews and report on the year-end audit. The Corporate Audit Division conducts an audit of the overall business activities of the Company and its subsidiaries in cooperation with the Audit & Supervisory Board members and the Audit & Supervisory Board. The Audit & Supervisory Board members receive explanations about the audit plans and the status of their implementation from the Corporate Audit Division by holding regular meetings with the Corporate Audit Division, and they receive explanations of the internal audit results and remedial actions by attending the audit report meeting that is held for each issue. In addition, to deepen cooperation among the Corporate Audit Division, the accounting auditor and the Audit & Supervisory Board members, the Company holds the Three Parties' Audit Liaison Meetings where these three parties gather to share audit plans and the status of audits. The corporate auditors and the internal audit divisions of the Group companies also attend the MOL Group Corporate Auditors' Liaison Meetings that are held on a regular basis to deepen mutual cooperation.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	2
Number of Independent Audit & Supervisory Board Members	2

Outside Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Hideki Yamashita	Lawyer													
Junko Imura	CPA													

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;
"Δ" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;
"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiary
b. Non-executive director or accounting advisor of the Company or its subsidiaries
c. Non-executive director or executive of a parent company of the Company
d. Audit & Supervisory Board member of a parent company of the Company
e. Executive of a fellow subsidiary company of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board member
i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the Audit & Supervisory Board member himself/herself only)

k. Executive of a company, between which and the Company outside directors/ Audit & Supervisory Board members are mutually appointed (the Audit & Supervisory Board member himself/herself only)
l. Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board Member himself/herself only)
m. Others

Outside Audit & Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Audit & Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons of Appointment
Hideki Yamashita	○	Attorney at law, YAMASHITA & TOYAMA LAW OFFICE Outside Corporate Auditor, I-cell Networks Corp. <Attendance at the Board of Directors' meetings and the Audit & Supervisory Board meetings in fiscal 2019> Board of Directors' meetings: 10/10 (attendance rate 100%) Audit & Supervisory Board meetings: 10/10 (attendance rate 100%)	Mr. Hideki Yamashita is in a neutral position without an interest in the Company and appropriately fulfills his duties as an Audit & Supervisory Board member who conducts an audit of management and business execution from an independent, objective and fair standpoint based on his many years of experience and professional knowledge as an attorney-at-law and his high level of compliance with laws and regulations. In addition, he has met the requirements for independence in the judgment criteria for independent directors/auditors of the stock exchange and the "Independence Criteria for Outside Officers" of the Company.
Junko Imura	○	Certified public accountant, Imura Accounting Office Outside Director, Audit and Supervisory Committee Member, Mitsubishi UFJ Trust and Banking Corporation Outside Audit & Supervisory Board Member, T. HASEGAWA CO., LTD. Visiting Professor, Tama Graduate School of Business <Attendance at the Board of Directors' meetings and the Audit & Supervisory Board meetings in fiscal 2019> Board of Directors' meetings: 8/8 (attendance rate 100%) Audit & Supervisory Board meetings: 8/8 (attendance rate 100%)	Ms. Junko Imura is in a neutral position without an interest in the Company and appropriately fulfills her duties as an Audit & Supervisory Board member who conducts audits of management and business execution from an objective and fair perspective based on her many years of experience and broad knowledge of accounting as a certified public accountant. In addition, she has met the requirements for independence in the judgment criteria for independent directors/auditors of the stock exchange and the "Independence Criteria for Outside Officers" of the Company.

[Independent Directors/ Audit & Supervisory Board Members]

Number of Independent Directors/Audit & Supervisory Board Members	5

Matters relating to Independent Directors/Audit & Supervisory Board Members

We have designated all the outside officers of the Company as independent officers.

[Incentives]

Incentive Policies for Directors	Performance-linked Remuneration / Stock Options

Supplementary Explanation

Based on the approval obtained at the annual general meeting of shareholders held on June 21, 2007, the Company issues share subscription rights as stock options as remuneration for the Company's directors pursuant to the provisions of Article 361 of the Companies Act separately from renumeration for directors, which was resolved at the annual general meeting of shareholders that was held on June 28, 1990.
The Company has introduced performance-linked remuneration. Please refer to [Director Remuneration] "Policy on Determining Remuneration Amounts and Calculation Methods" for its content, the indicators for the performance-linked remuneration and the reason for selecting these indicators.

Recipients of Stock Options	Inside Directors / Outside Directors / Employee / Other

Supplementary Explanation

For the purpose of raising the motivation and morale of the directors, executive officers and employees (in senior management positions) of the Company and the presidents of its consolidated subsidiaries to improve the financial results of the Company and shareholder returns, the Company grants them share subscription rights. The recipients of share subscription rights are employees in senior management positions among the employees, and the presidents of the consolidated subsidiaries as for other.

[Director Remuneration]

Disclosure of Individual Directors' Remuneration	No Individual Disclosure

Supplementary Explanation

The total amount of remuneration for directors and Audit & Supervisory Board members in fiscal 2019 (from April 1, 2019 to March 31, 2020) was as follows.

[Total amount by type]

Category	Number of recipients	Monthly remuneration	Bonus	Stock options	Total amount of remuneration
Directors (excluding outside directors)	6	261 million yen	11 million yen	13 million yen	287 million yen
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	3	64 million yen	–	–	64 million yen
Outside officers	7	51 million yen	1 million yen	2 million yen	55 million yen

(Note 1) The above figures include remuneration for one inside director, one inside Audit & Supervisory Board member and two outside officers who left office in fiscal 2019.
(Note 2) The stated amounts are rounded off to the nearest million yen.

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The Company has set a policy on determining remuneration amounts for officers and their calculation methods, and its content ensures a remuneration structure that is appropriate for securing human resources by reference to other companies in the same industry and other companies of a similar size in other industries and that is linked with performance to motivate the officers to achieve the performance targets and medium- to long-term corporate value.
Remuneration for directors consists of monthly remuneration, a bonus (hereinafter referred to as the "bonus"), which is performance-linked remuneration, and stock options, and the composition ratio is 65% for the monthly renumeration, 30% for the bonus and 5% for the stock options based on the assumption of a model case (at the time when the target (ordinary profit of 80 billion yen to 100 billion yen) is achieved).
The amount of monthly remuneration is determined individually, taking the importance of the responsibility of each director into consideration. The bonus is determined based on performance and is paid in June every year. It is a set amount for each position calculated according to the Company's performance, adjusted based on the director's position, and added to an individual bonus calculated based on the performance of the division for which the

director is responsible. Stock options are granted in August every year, according to the position and level of each director.
To determine the set amount for each position calculated according to the Company's performance in the bonus, a method of using financial indicators such as consolidated ordinary profit (loss), profit (loss) attributable to owners of parent and the dividend payout ratio in the management plan (Rolling Plan 2019) to increase the linkage between these indicators and remuneration and further adding the degree of attainment of qualitative targets is used. The degree of attainment of qualitative targets is evaluated based on the specific progress made in the following three areas set forth in the management plan: 1) Concentrated investment of management resources in the business fields where the Company has strengths, which will mainly be offshore businesses; 2) provision of stress-free services, which the Company will offer from the customer's perspective; and 3) promotion of environmental strategies and development of the emission-free business into a core business. In evaluating the individual bonus calculated based on the performance of the division for which the director is responsible, the degree of attainment of consolidated ordinary profit (loss) and capital efficiency in the management plan is taken into consideration.
For the bonus for fiscal 2019, ordinary profit and net income substantially exceeded the year-ago level, and for dividends, the annual dividend per share increased from the previous year to return profits to shareholders. These results were strong enough to pay higher bonuses for officers than in the previous fiscal year. However, given that the global economy has entered a phase of a rapid deceleration due to the spread of COVID-19 and stagnation and a decline in cargo movements have emerged as a result, the Company recognizes that the future outlook is extremely uncertain. In light of these circumstances, the Company paid the bonus equivalent to monthly remuneration for half a month.

Remuneration for the Audit & Supervisory Board members is determined within the limit approved at the general meeting of shareholders, with consideration given to whether it is full- or part-time employment, the amount of auditing work assigned, and the levels and contents of remuneration for directors, after discussion with the Audit & Supervisory Board members. Bonuses and stock options are not provided to the Audit & Supervisory Board members.
The dates of resolution on remuneration for the Company's officers were June 28, 1990 for the monthly amount for directors, June 23, 2005 for the monthly amount for Audit & Supervisory Board members and June 21, 2007 for bonuses and stock options for directors, and the details of the resolutions were that the total monthly amount for directors would be 46 million yen or less, the total monthly amount for Audit & Supervisory Board members would be 9 million yen or less, the total annual amount for bonuses for directors would be 300 million yen or less (for outside directors, the total annual amount would be 20 million yen or less) and the total annual amount for stock options for directors would be 400 million yen or less (for outside directors, the total annual amount would be 50 million yen or less).
For the policy on determining the remuneration amounts for the Company's officers and their calculation methods, a proposal of the Representative Director, President and Chief Executive Officer is deliberated at the Remuneration Advisory Committee in which Outside Directors form a majority and an Outside Director serves as the chairman and determined by the Board of Directors. The policy on determining the remuneration amounts for the Audit & Supervisory Board members and their calculation method is subject to discussions by the Audit & Supervisory Board.
In the process of determining the remuneration amounts for the Company's officers in the current fiscal year, the Board of Directors and the Remuneration Advisory Committee deliberated the monthly remuneration and bonuses three times each (including one report to the Board of Directors).

[Supporting System for Outside Directors and/or Audit & Supervisory Board Members]

The Company has developed a supporting system to ensure that the supervisory function of the outside directors will be effective whereby the Corporate Planning Division explains the issues to be submitted to the Board of Directors to the outside directors and outside Audit & Supervisory Board members in advance by meeting them or in writing and reports on the execution of important businesses to them each time.

[Retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)]

Information on retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)

Name	Job title/ position	Responsibilities	Employment terms (Full/part time, with/without compensation, etc.)	Date when former role as president/ CEO ended	Term
Akimitsu Ashida	Honorary advisor	Engaging in outside activities such as those of industry groups (not involved in management)	Work style: Part time Remuneration: Yes	June 24, 2014	There is a bylaw regarding the maximum age.
Koichi Muto	Special advisor	Engaging in outside activities such as those of industry groups (not involved in management)	Work style: Part time Remuneration: Yes	June 25, 2019	There is a bylaw regarding the maximum age.

Number of retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)	2

Others

- A person who has experience as the chairman and/or the president will assume the office of special advisor through a resolution of the Board of Directors. The special advisor engages in outside activities on a part-time basis and is not involved in the management of the Company.

- After leaving the office, the special advisor will become an honorary advisor based on the bylaw and will continue to engage in outside activities on a part-time basis, and remuneration commensurate with the duties will be paid.

2.Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

The Company believes that the appropriate form of governance, as a design of its organs, is to ensure the legality, appropriateness and efficiency of business execution by securing the effective supervising framework of the Board of Directors by creating its structure consisting of inside directors who engage in the execution of business and outside directors who do not execute business but specialize in supervisory functions, in addition to a mutual supervision and check mechanism between inside directors (concurrently serving as executive officers) who execute business, while securing the audit function of the Audit & Supervisory Board, which is independent from the Board of Directors. Based on this belief, the Company made itself into a “company with an Audit & Supervisory Board” as provided for by the Companies Act.

The Board of Directors, by resolution, has established a basic policy for developing a system to ensure the appropriateness of operations (the 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 abovementioned basic policy under the supervision of the Board of Directors and audits by the Audit & Supervisory Board.

The Company also believes that the true worth of corporate governance will not be achieved by the existence of the framework and organization constructed as described above, but will be put to the test by whether such a framework actually works properly and efficiently as described below.

■ Board of Directors

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

The Board of Directors consists of five inside directors and three outside directors without an interest in the Company. The outside directors play a major role in activating the Board of Directors by checking the reasonability of management decisions and 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. The Company has developed a supporting system for the outside directors whereby agenda items at the Board of Directors’ meetings are explained in advance and the execution of important businesses is reported to them each time. In addition, the Board of Directors also conducts the Deliberation on Corporate Strategy and

Vision, during which the directors exchange opinions freely with outside directors and outside Audit & Supervisory members on management strategies, the long-term vision and other subjects related to overall management. In addition to the Deliberation on Corporate Strategy and Vision, the Board of Directors holds the Board Member Discussion Sessions in a timely manner after its meetings to early share and discuss a variety of ongoing important issues other than agenda items at the meetings of the Board of Directors.
The Board of Directors holds regular meetings about ten times a year at appropriate intervals and passes resolutions on the formulation of management plans, decisions on large investments, the approval of a budget for each fiscal year and the approval of the quarterly financial results, etc.

■ The Nomination Advisory Committee and the Remuneration Advisory Committee

The Nomination Advisory Committee and the Remuneration Advisory Committee are established as arbitrary organizations under the Board of Directors. Both Committees are chaired by an outside director and consist of all three outside directors and the president, with outside directors making up the majority, to make the supervision of the executive directors by the outside directors more effective.
In addition to undertaking deliberations on the appointment and dismissal of directors and executive officers and submitting a report on them, the Nomination Advisory Committee also deliberates on a plan for the next president (including the appointment and dismissal of the incumbent president) based on the successor plan to appoint the president and CEO (hereinafter referred to as the "president") eligible for the Company in a timely and appropriate manner and submits it to the Board of Directors. The Remuneration Advisory Committee examines how the remuneration for officers, including incentives for the long-term enhancement of corporate value, should be structured from an objective standpoint with a focus on the stakeholders' perspective by reviewing the remuneration system for directors and executive officers when appropriate.
In addition to the members of the Committees, outside Audit & Supervisory Board members are also permitted to state their opinions by attending the Committee meetings to enable them to understand the process of deliberations. The Board of Directors passes the necessary resolutions by respecting the contents of the reports submitted by both Advisory Committees.

■ Successor plan

To appoint a president and CEO (hereinafter referred to as the "president") who is eligible for the Company in a timely and appropriate manner, the Company has formulated the successor plan for the president that contains requirements for the president, the appointment process of the president and a cultivation plan of candidates for the successor.
The Nomination Advisory Committee will deliberate on a plan for the next president (including the appointment and dismissal of the incumbent president) based on the successor plan and submit it to the Board of Directors.

■ Evaluation of effectiveness

The Board of Directors evaluates and analyzes its effectiveness every year through discussions held at its meetings based on a self-questionnaire and the questionnaire results based on the Corporate Governance Code and ensures that the results of the evaluation and analysis lead to an improvement in the subsequent operation of the Board of Directors. In the evaluation of effectiveness in fiscal 2019, opinions were expressed about an improvement in the quality of explanations about agenda items at the Board of Directors' meetings, the securing of time for deliberations according to the degree of difficulty, and the enhancement of the number of the Deliberation on Corporate Strategy and Vision to be held and subjects to be set, and the Board of Directors improved its operation by recognizing these matters as challenges.
The Company works to improve the evaluation of the effectiveness of the Board of Directors by reviewing the evaluation items every year and adding items that are suitable for the actual situation in the relevant fiscal year to ensure that the evaluation of effectiveness is more beneficial.

■ Business execution system

The Company introduced the executive officer system in 2000 for the execution of business. Executive officers who are appointed by the Board of Directors and to whom authority is delegated by the representative director work to increase the speed of management by executing business in accordance with the highest management policy determined by the Board of Directors. As the highest decision-making body on the execution of business, the Executive Committee (chairman: President) functions as a deliberative organ to make decisions on basic management plans and important issues related to the execution of business in accordance with the basic policy determined by the Board of Directors. Six committees are established as subordinates under the Executive Committee, and officers and general managers related to each issue, in addition to the members of each respective committee, attend the meetings of the committee to examine and deliberate on important issues to be submitted to the Executive Committee and issues across divisions.

■ Audit system

1. Auditor's audits

(1) Status of auditor's audits

The Audit & Supervisory Board consists of two full-time Audit & Supervisory Board members and two outside Audit & Supervisory Board members without an interest in the Company. The Company's Audit & Supervisory Board includes at least one member who has considerable knowledge of finance and accounting, and the Company has appointed two outside Audit & Supervisory Board members based on their extensive professional knowledge of law or accounting and deep insight in corporate management. Of the incumbent Audit & Supervisory Board members, outside Audit & Supervisory Board member Ms. Junko Imura has engaged in accounting audit work for many years as a certified public accountant, and full-time Audit & Supervisory Board member Mr. Kenji Jitsu assumed key positions such as the General Manager of the Investor Relations Office and the General Manager of the Accounting Division of the Company and has considerable knowledge of finance and accounting. As a system for increasing the effectiveness of the auditor's audits and executing the audit duties efficiently, one dedicated staff member who assists the Audit & Supervisory Board members in performing their duties is assigned. The Audit & Supervisory Board sets audit policies and audit plans, receives a report on the implementation status of audits and their results from the Audit & Supervisory Board members, receives a report on the performance status of duties from the directors and the accounting auditor and asks for explanations as necessary. The Audit & Supervisory Board members, including the outside members, work to collect information and improve the audit environment by communicating with the directors, executive officers and employees in the Corporate Audit Division and other divisions in accordance with the audit policies and audit plans based on the standards for the auditor's audits that are set by the Audit & Supervisory Board and receive a report on the performance status of the duties from the directors, executive officers and employees in the Corporate Audit Division and other divisions by attending the Board of Directors' meetings and other important meetings. They ask for explanations as required and examine the status of operations and assets at the head office and major offices by inspecting important decision-making documents. They also monitor and verify the system to ensure that the directors comply with laws, regulations and the articles of incorporation in their performance of duties and the status of the internal control system as a necessary mechanism for ensuring the appropriateness of the operations of a stock company. For the subsidiaries, they examine the status of the operations and assets of the subsidiaries by communicating and exchanging information with the directors and corporate auditors of the subsidiaries and ask for explanations about their businesses as required. In addition, they also monitor and verify whether the accounting auditor maintains an independent position and conducts appropriate audits, receive a report on the performance status of its duties and ask for explanations as necessary.

(2) Audit policy for auditor's audit

The Audit & Supervisory Board members shall:

(i) Execute their duties by recognizing that they have a responsibility to establish a high quality corporate governance system that responds to social confidence by ensuring the healthy and sustainable growth of the Company by auditing the performance of duties by the directors as an independent organ that has a mandate from the shareholders;

(ii) Make efforts to maintain the independent position and act based on their beliefs by always maintaining a fair and unbiased attitude;

(iii) Make efforts to ascertain changes in the business conditions and environmental changes by deepening their recognition of management issues from the standpoint of general management;

(iv) Make efforts to collect information and improve the audit environment by communicating constantly with the officers and employees of the Company and the Group companies;

(v) Encourage the officers and employees to fully understand and recognize that the improvement of the audit environment is important and essential for establishing and operating high quality corporate governance; and

(vi) Increase the effectiveness and efficiency of audits by maintaining collaboration and exchanging opinions and information with outside directors, the accounting auditor and the Corporate Audit Division, and make efforts to contribute to the improvement of corporate governance.

2. Internal audits

In addition to the Audit & Supervisory Board members and the accounting auditor, the Company has established the Corporate Audit Division independently from the other divisions as an organization under the direct control of the President to conduct audits of business execution, including the Group companies, in cooperation with the statutory audits conducted by the Audit & Supervisory Board members and the accounting auditor.

The Corporate Audit Division conducts various types of audits by setting the following actions as the key policies for internal audits in fiscal 2020: (i) Full enforcement of compliance with laws and regulations, (ii) strengthening of governance and internal control, (iii) full enforcement of quality assurance and quality control, (iv) strengthening of IT governance of the Company and the Group companies, (iv) full enforcement of safe vessel operation and safe operation, and (vi) response to compliance issues.

3. Accounting audits
The certified public accountants of KPMG AZSA LLC, who provide the accounting audit service to the Company, are Designated Limited Liability Partners Hiroshi Miura, Yoshikuni Noguchi and Katsunori Totani.
The assistants to the accounting audits of the Company are eight certified public accountants, three persons who have passed the CPA examination and four other persons.

■ Outside Officers
All five (5) of MOL's outside officers (three (3) outside directors and two (2) outside audit & supervisory board members) fulfill MOL's unique "Independence Criteria for Outside Officers" (pages 13 and 14).
All three (3) outside directors fulfill their role to strengthen the function of Board of Directors regarding its management decisions and supervision by providing advice regarding MOL's overall management from an independent standpoint based on their extensive experience and knowledge in their respective areas of expertise.
In addition to attending Board of Directors' meetings, outside directors deepen their understanding of the MOL Group's businesses through visiting ships operated by MOL Group, surveying the MOL Group's bases of activity overseas, giving lectures and participating in discussions at internal trainings, and attending Group Executive Meetings, (which are held twice a year by convening representatives from domestic group companies and involve bilateral discussions with agenda items including matters related to management plans). The outside directors incorporate this understanding in their duties as outside directors.
The two (2) outside audit & supervisory board members have in-depth knowledge and insight as specialists in law and accounting and have a role in strengthening MOL's audit structure from an independent position. In addition to attending Board of Directors' meetings and Audit & Supervisory Board's meetings, the outside audit & supervisory board members interview inside directors and executive officers, exchange opinions with outside directors, give lectures and carry out discussions at liaison meetings of group audit & supervisory board members, and incorporate the knowledge gained from them in their duties as outside audit & supervisory board members.

In order for the outside directors and the outside Audit & Supervisory Board members to be able to fully demonstrate the roles expected of them, the Company has entered into an agreement limiting liability with three outside directors and two outside Audit & Supervisory Board members. Based on the agreement, the maximum amount of damages for which they are liable will be limited to the total sum of the amounts specified in each item of Article 425, Paragraph 1 of the Companies Act, even if they have caused damages to the Company by neglecting their duties as a director or an Audit & Supervisory Board member, as long as they have acted in good faith and without gross negligence.

3. Reasons for Adoption of Current Corporate Governance System

Please refer to I. 1. "Basic Views" in this report.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	Since the annual general shareholder meeting held in June 2006, the Company sends out the convocation notice of the general shareholder meeting at least seven days before the statutory shipping deadline. (However, due to the impact of COVID-19, for the annual general shareholder meeting held in June 2020, the Company sent out the convocation notice of the general shareholder meeting four days before the statutory shipping deadline.)
Scheduling AGMs Avoiding the Peak Day	Since the annual general shareholder meeting held in June 2000, the Company avoids the so-called peak day when holding its annual general shareholder meetings.
Allowing Electronic Exercise of Voting Rights	Since the annual general shareholder meeting held in June 2006, the Company exercises voting rights via the Internet and participates in the Electronic Voting System Platform for Institutional Investors (the so-called ICJ Platform).
Participation in Electronic Voting Platform	The Company has been participating in the Electronic Voting Platform since 2006. In addition, the Company makes efforts to improve the environment for exercising voting rights by providing institutional investors with explanations of proposals when appropriate, among other means.
Providing Convocation Notice in English	An English convocation notice (including reference documents for the general shareholder meeting and the business report) is prepared and published on the English website.
Other	The convocation notice is posted on the Company's website.

2. IR Activities

	Supplementary Explanations	Presence or absence of explanation by the representative himself
Preparation and Publication of Disclosure Policy	The Company's views on disclosure are published by establishing the section of "IR Policies" on its website.	
Regular Investor Briefings for Individual Investors	Participated in seminars for individual investors in Osaka and Tokyo (once each) in fiscal 2019.	Absent
Regular Investor Briefings for Analysts and Institutional Investors	Quarterly results briefings (four times a year) Business Segment IR Meeting (once in fiscal 2019)	Present
Regular Investor Briefings for Overseas Investors	Visits to institutional investors in Europe, the United States and Asia (three to four times a year)	Present
Posting of IR Materials on Website	IR News, Financial Highlights, Business Performance, Investor Guidebook, Shipping Market Data, Materials for Business Segment IR Meetings, MOL Report, Business Report, etc.	
Establishment of Department and/or Manager in Charge of IR	IR-related persons: President – Offdicer in charge of IR (CFO) – Corporate Communication Division (IR Team)	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company has established the MOL Group Corporate Principles with the following three pillars: Contributing to global economic growth and development, maximizing corporate value, and protecting the natural environment and operational safety and navigation. The Company has established the MOL CHART as a framework for all the members of the MOL Group worldwide and the values to be shared by them in practicing the MOL Group Corporate Principles. ◆ MOL CHART (Our Values to be Shared) Challenge Innovate through insight. Honesty Do the right thing. Accountability Commit to acting with a sense of ownership. Reliability Gain the trust of customers. Teamwork Build a strong team. The Company also stipulates in its internal regulations that we shall always recognize the public mission and social responsibilities of MOL's business and maintain the trust of the Company's stakeholders and that we shall actively fulfill our corporate social responsibilities.
Implementation of Environmental Activities, CSR Activities etc.	Defining the social issues that we need to address on a preferential basis through our businesses to maximize our social value and minimize our negative impact on society as Sustainability Issues (Materiality), the Company regards the following items as its Sustainability Issues and works actively on the SDGs (Sustainable Development Goals): "Value-added transport services," "marine and global environmental conservation," "innovation for development in marine technology," "human resource cultivation and community development" and "governance and compliance to support businesses." The details of the specific activities are introduced on the Company's website and in integrated reports, etc.
Development of Policies on Information Provision to Stakeholders	The Company stipulates in its internal regulations that we shall conduct highly transparent management by actively disclosing our corporate information to gain the understanding and support of a range of stakeholders. The Company also discloses information actively to shareholders and investors as a result of establishing the independent Corporate Communication Division.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

The Company has adopted a resolution on policies for developing systems to ensure the appropriateness of operations as described below based on the Companies Act and the Regulation for Enforcement of the Companies Act and operates them by revising them when appropriate. The Company will continue to improve the policies.

1. System to Ensure that the Execution of Duties by the Directors, Executive Officers and Employees Complies with Laws and Regulations and the Articles of Incorporation

<Compliance>

(1) The MOL Group has set "highly transparent management in accordance with corporate ethics and social norms" as one of its corporate principles, in addition to complying with laws, regulations and the articles of incorporation. The Company prescribes the Compliance Policy as the basis for achieving compliance and establishes the Compliance Committee, chaired by a Chief Compliance Officer (CCO) assigned by the Board of Directors, to develop and maintain the compliance system through regular monitoring.

(2) The Company has set the code of conduct in Article 5 of the Compliance Policy as the code of conduct for the officers and employees to ensure their compliance with these rules. In particular, the Company fully enforces the following: Observing the competition laws of countries, standing firm against antisocial forces, prohibiting insider trading, prohibiting the offer and acceptance of bribes, protecting confidential information such as customer and company information, and refusing to allow discrimination and harassment.

(3) The Company takes measures to prevent the violation of compliance and improve compliance by providing all the officers and employees with training by job rank and 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 internal rules and regulations, and ensures that its officers and employees deepen and improve their awareness of compliance.

(4) The Company maintains and operates the reporting and consultation systems by establishing an internal helpdesk for reporting and consulting on the violation of compliance and the Compliance Advisory Service Desk with service provided by outside lawyers 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 due to having done so.

<Corporate Governance>

(5) The Board of Directors, which consists of inside directors and outside directors, ensures its appropriate operation based on the Rules of the Board of Directors and supervises the performance of duties by the directors. In addition, the directors are involved in decisions on the highest policy on overall company management through the Board of Directors and supervise and encourage the execution of business by executive officers as the members of the Board of Directors.

(6) The Board of Directors has established the Executive Committee, and the Executive Committee undertakes deliberations for the President, Chief Executive Officer to make decisions on the basic management plans and important issues regarding the execution of business based on the highest policy determined by the Board of Directors.

(7) The Board of Directors makes efforts to create an environment that enables audit & supervisory board members to audit the execution of duties by the directors and executive officers 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 mission as provided for by other laws and regulations.

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

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

(1) The Company has established the Nomination Advisory Committee and Remuneration Advisory Committee 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 of directors and executive officers.

(2) The Nomination Advisory Committee and Remuneration Advisory Committee comprise the Chairman, the 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.

(3) The Nomination Advisory Committee deliberates matters concerning appointment and dismissal of directors and executive officers in response to advice from consultations from the Board of Directors and submits a report to the Board of Directors.

(4) The Remuneration Advisory Committee deliberates matters concerning the remuneration and treatment of directors and executive officers in response to consultations from the Board of Directors and submits a report to the Board of Directors.

(5) The Board of Directors respects the reports submitted by Nomination Advisory Committee and Remuneration Advisory Committee.

3. System Concerning the Preservation and Management of Information on Execution of Duties by Directors and Executive Officers

(1) Information on the execution of duties by directors and executive officers is appropriately preserved and managed for a prescribed period of time in writing or in the form of electronic information based on the Rules of Document Management and the Rules of Electronic Information Security.

(2) Directors and audit & supervisory board members may access these documents when necessary.

4. Regulations on the management of the risk of loss and other relevant risk management systems

The Company has developed the following management systems for major risks concerning the risk of loss, and the Executive Committee functions as an organ that controls the management of all the risks including other risks.

(1) Risks concerning maritime shipping market trends

In the marine transport field, which is the Company's principal business, global trends in the volume of cargo transported and the vessel supply have an impact on supply and demand for shipment, and the market conditions for freight rates and charter hire fluctuate. Accordingly, the Company establishes the Investment and Finance Committee as a preliminary deliberative body of the Executive Committee, and important issues such as an investment in vessels are submitted to the highest decision-making body after the Investment and Finance Committee has ascertained, analyzed and evaluated the risks.

(2) Safe operation of ships

The Company establishes the Operational Safety Committee chaired by the President, Chief Executive Officer as a subordinate organ of the Executive Committee. The Operational Safety Committee works to ensure and thoroughly implement the safe operation of MOL-operated vessels by reviewing and deliberating matters concerning their safe operation based on the Rules of Operational Safety Committee. In addition, should an unexpected accident occur, the Operational Safety Committee strives to prevent any damage from growing and protect the environment based on the rule of the Emergency Control Headquarters.

(3) Market risks

Market risks such as fluctuations of bunker prices, exchange rates and interest rates are reduced by managing them appropriately based on the Rules of Market Risk Management.

5. System to Ensure Efficient Execution of Duties by Directors and Executive Officers

(1) The Board of Directors holds meetings about 10 times a year at appropriate intervals and as required. Important matters to be submitted to the Board of Directors are, in principle, prescribed by the Rules of the Board of Directors and deliberated in advance by the Executive Committee.

(2) The Executive Committee consists of members nominated by the President, Chief Executive Officer and approved by the Board of Directors and holds 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 about necessary matters.

(3) Executive officers are appointed by the Board of Directors and execute business in accordance with the highest policy on overall company management determined by the Board of Directors based on the organizational division of duties and the official authority of the job position prescribed in the Rules of Organization, with authority delegated by representative directors based on the Rules of Executive Officer.

6. System to Ensure the Credibility of Financial Reporting

(1) To ensure proper accounting and increase the reliability of financial reporting, the Company establishes the Rules of Accounting and strives to improve the system of internal control over financial reporting and increase its effectiveness.

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

7. System to Ensure Appropriateness of Operations in the Group Consisting of the Company and Its Subsidiaries

(1) To ensure the appropriateness of operations within the Group companies, the Company establishes the Group corporate principles to apply to all Group companies, and each Group company establishes a range of regulations based on the Group corporate principles.

(2) With regard to the business management of the Group companies, the status of business operations within each company is managed based on the management plan and the annual budget of the entire Group. In addition, by assigning a division in charge of management according to the business content of each company, the general manager of the division in charge receives the necessary reports in a timely manner from the directors of the Group companies in accordance with the Rules of Group Company Management in order to properly understand their financial conditions and business risks. The general manager of the division in charge requires the Group companies to implement important management matters with the approval of the Company and allocates the necessary management resources to the Group companies in a timely and appropriate manner so that the directors of the Group companies can execute their duties efficiently. However, for Group companies that are regarded as quasi-internal organizations based on the Rules of Organization, an officer in charge will

perform the procedures instead of the general manager in charge.

(3) To ensure compliance within Group companies, they establish a range of 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 ensures the full enforcement of compliance throughout the entire Group by also undertaking consultations with the officers and employees of the Group companies. The Company keeps reports and consultations on breaches of compliance made by the officers and employees of the Group from the Group companies strictly confidential and requires the Group companies to guarantee that those who have made the reports and undertaken the consultations will not be treated unfavorably due to having done so.

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

8. Dedicated Staff Member to Assist in the Audit & Supervisory Board Members' Duties and Staff Member's Independence

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

(2) Personnel evaluation of the assistant to audit & supervisory board members is conducted by the audit & supervisory board members, and the assignment of the assistant to audit & supervisory board members is decided upon obtaining approval of the Audit & Supervisory Board.

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

9. System Concerning Reports from Directors, Executive Officers and Employees to Audit & Supervisory Board Members Including a Reporting System and Other Systems Concerning Reports to Audit & Supervisory Board Members, and System to Ensure that Audits are Effectively Conducted by the Audit & Supervisory Board Members

(1) The Company establishes rules on matters that directors, executive officers and employees should report to the audit & supervisory board members; and directors, executive officers and employees 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.

(2) A system for reporting the violation of laws or regulations and other compliance issues appropriately to the audit & supervisory board members is ensured by maintaining the appropriate operation of the reporting and consultation systems based on the Compliance Policy. With regard to reports and consultations about breaches of compliance by the officers and employees of the Group to the audit & supervisory board members, information is kept strictly confidential, and it is guaranteed that those who have made the reports and undertaken the consultations will not be treated unfavorably due to having done so.

(3) Representative directors make efforts to have meetings periodically with the audit & supervisory board members.

(4) The Corporate Audit Division cooperates with the audit & supervisory board members in conducting audits effectively by communicating and coordinating with the audit & supervisory board members.

(5) When an audit & supervisory board member request advance payment of expenses for the duties they will perform based on Article 388 of the Companies Act, the expenses or debt will be paid except in cases where it is recognized that the expenses or debt relating to the request are not necessary.

2. Basic Views on Eliminating Anti-Social Forces

In accordance with the corporate principle of "promotion of ethical and transparent management" the Company strives to fully enforce compliance, with "not being aligned with antisocial forces and never taking part in antisocial acts" as the basic policy.

For this reason, setting a clause of "taking a stern and uncompromising attitude toward antisocial forces and groups that may threaten public order and safety, and never taking part in antisocial acts" in the Compliance Policy and assigning a responsible official who deals with undue claims from antisocial forces, if they are made, the Company collects and manages information on antisocial forces on a routine basis in cooperation with external specialized institutions such as the police, the Federation of Special Violence Prevention Measures of the Metropolitan Police Department (Tokuboren) and lawyers. In addition, the Company continues its efforts to eliminate antisocial forces as a Group-wide effort by closely exchanging information within the Group.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation

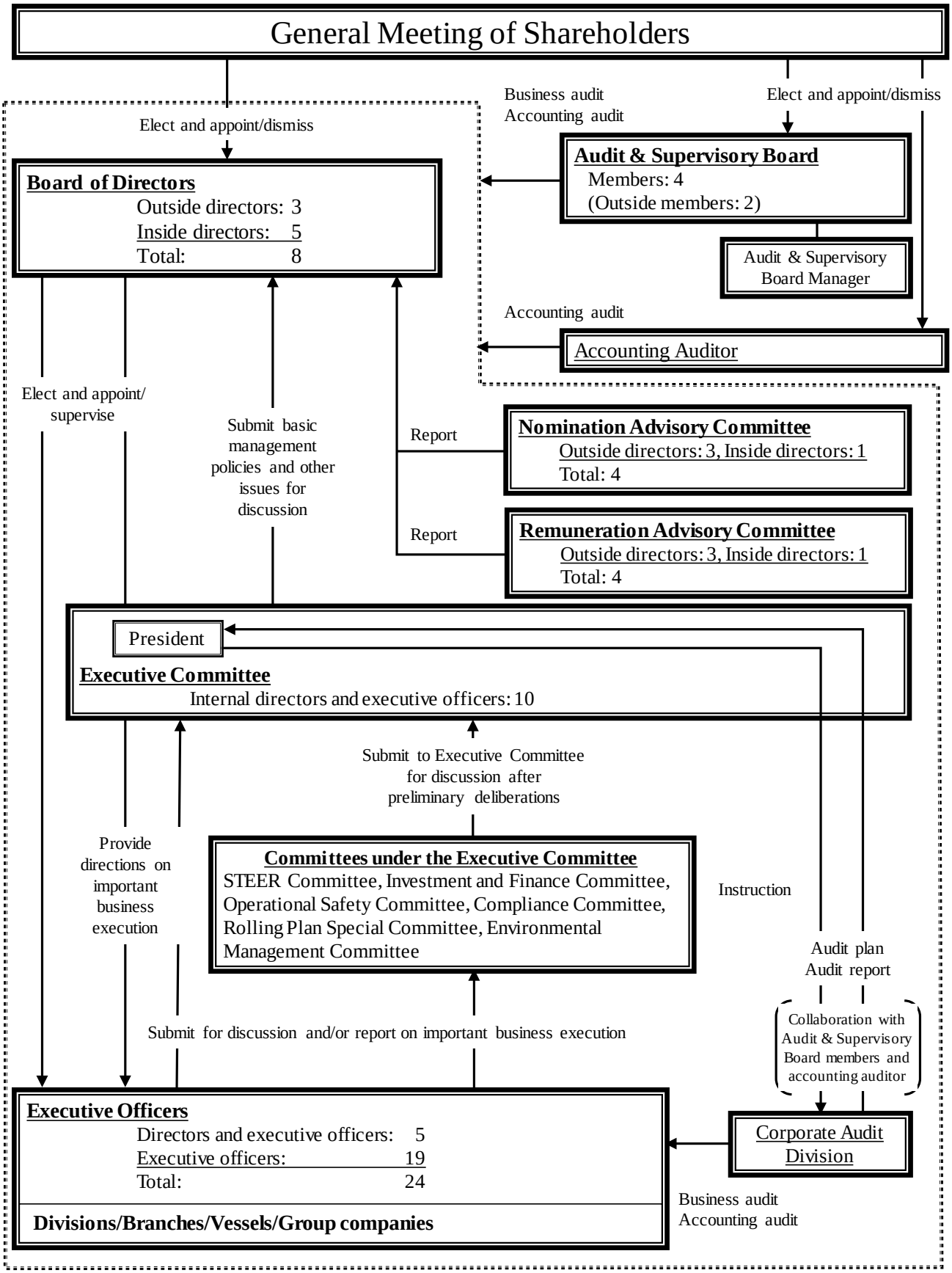
The Company gives first priority to enhancing its corporate value based on the correct evaluation of its share price in the market as a result of its continuous practice of the following measures.

(a) Management that places emphasis on the benefits of shareholders through the continuous payment of stable and convincing dividends
(b) Thorough pursuit of creativity and operating efficiency (from the corporate principles of the Company)
⇨ Optimum allocation of management resources, the efficient use of funds, etc.
(c) Shareholders' confidence derived from enhanced corporate governance and highly transparent management
(d) Enhancement of IR activities to acquire shareholders and investors who understand and support the business strategies of the Company

2. Other Matters Concerning the Corporate Governance System

(1) In response to the evaluation and report of internal control to ensure the appropriateness of financial reporting that has been applied since fiscal 2008 based on the Financial Instruments and Exchange Act, the Company evaluated its internal control, with the Corporate Audit Division with the function to support corporate governance and compliance as the key player. As a result, the Company decided that its internal control over financial reporting was effective and submitted the internal control report that included the manager's evaluation to that effect to the Kanto Local Finance Bureau on June 23, 2020. An external audit corporation also notes that content of the internal control report is appropriately delivered in an internal control report. The Company will promote the operation of an internal control system that will better meet the demands of stakeholders to respond flexibly to changes in the business environment by continuously promoting the visualization, standardization and streamlining of its operations, in addition to meeting the requirements of laws and regulations.
(2) Given that there was an act violating the Antimonopoly Act in car carrier shipping trades, as announced by the Japan Fair Trade Commission on March 18, 2014, the Company is working on the prevention of its recurrence and the full enforcement and strengthening of compliance.

MOL Corporate Governance Organizational Structure



Overview of Timely Disclosure System

1. Basic policy on timely disclosure

Mitsui O.S.K. Lines, Ltd. (hereinafter referred to as "MOL") aims to promote ethical and transparent management. as its corporate principles. In addition, MOL stipulates in its Compliance Regulations that MOL shall protect the confidentiality of restricted information of MOL and third parties and prevent insider trading. MOL also undertakes timely disclosure according to its basic policy of "conducting fair and highly transparent corporate activities in compliance with laws and regulations and in light of social norms and corporate ethics." Specifically, MOL undertakes the timely disclosure of corporate information based on the "Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities" (hereinafter referred to as the "Timely Disclosure Rules") of the Tokyo Stock Exchange. MOL also actively discloses information that MOL is not obligated to disclose in light of the standards in the Timely Disclosure Rules, but whose disclosure MOL deems useful for shareholders and investors.

2. Internal system for determining and managing information for timely disclosure and disclosing it in a timely and appropriate manner

(1) Information on facts that have been decided

At MOL, the Corporate Communication Division will promptly disclose facts that have been decided and that are required to be disclosed in light of the standards provided for in the Timely Disclosure Rules upon consultation with the related divisions after the resolution of the Board of Directors or the Executive Committee or final approval by the executive officers, in principle.

(2) Information on facts that have occurred

With regard to facts that have occurred, the division that has recognized their occurrence makes a report to the Board of Directors or the Executive Committee after the occurrence and promptly discloses them through the Corporate Communication Division in accordance with the Timely Disclosure Rules.

If there is an urgent need, the division in charge will make a report to the Corporate Communication Division, and the Corporate Communication Division will promptly undertake timely disclosure upon consultation with the related divisions.

(3) Information on the settlement of accounts

With respect to information on the settlement of accounts, the Accounting Division will prepare closing figures and promptly disclose them through the Corporate Communication Division following approval by the Board of Directors or the Executive Committee after undergoing an audit by the accounting auditor.

(4) Information on subsidiaries

With regard to information on the subsidiaries of MOL, MOL has developed a system to consolidate the information into the Corporate Communication Division through the related divisions in charge of the subsidiaries, and the Corporate Communication Division will promptly undertake timely disclosure upon consultation with the related divisions.

The process by which MOL undertakes the timely disclosure of corporate information is shown in the Exhibit.

3. Checking and monitoring of timely disclosure

Corporate information on MOL and its subsidiaries that could be subject to timely disclosure will be consolidated into the Corporate Communication Division, and the General Manager of the Corporate Communication Division (information handling manager) will check the necessity of disclosure and confirm that the content to be disclosed is accurate and sufficient based on the Timely Disclosure Rules, and will

disclose important information after obtaining approval from the officer in charge of the Corporate Communication Division.
In addition, the Audit & Supervisory Board members monitor and verify that the system for disclosing corporate information in an appropriate and timely manner is built and operated appropriately pursuant to the provisions such as “Audit of Corporate Information Disclosure System” of the “Audit & Supervisory Board Members Auditing Standards.”

4. Efforts to prevent insider trading

MOL makes efforts to disclose corporate information specified in the Timely Disclosure Rules in a timely and appropriate manner and pay utmost attention to the appropriate management of corporate information and the prevention of insider trading.
For this reason, MOL established the “Internal Rules on the Prevention of Insider Trading” (revised in January 2008) in April 1989 to stipulate that MOL shall appoint an information manager in each division and branch under the chief information officer (the executive vice president in charge of administration) and that the general managers of the divisions and branches shall fulfill this role. It is also stipulated that if an officer or an employee has obtained important internal information on his/her company or any other company, they shall promptly report the information to the chief information officer or the information manager, and in that case, the chief information officer or the information manager who has received the report shall take the necessary measures to prevent the leakage of the information.

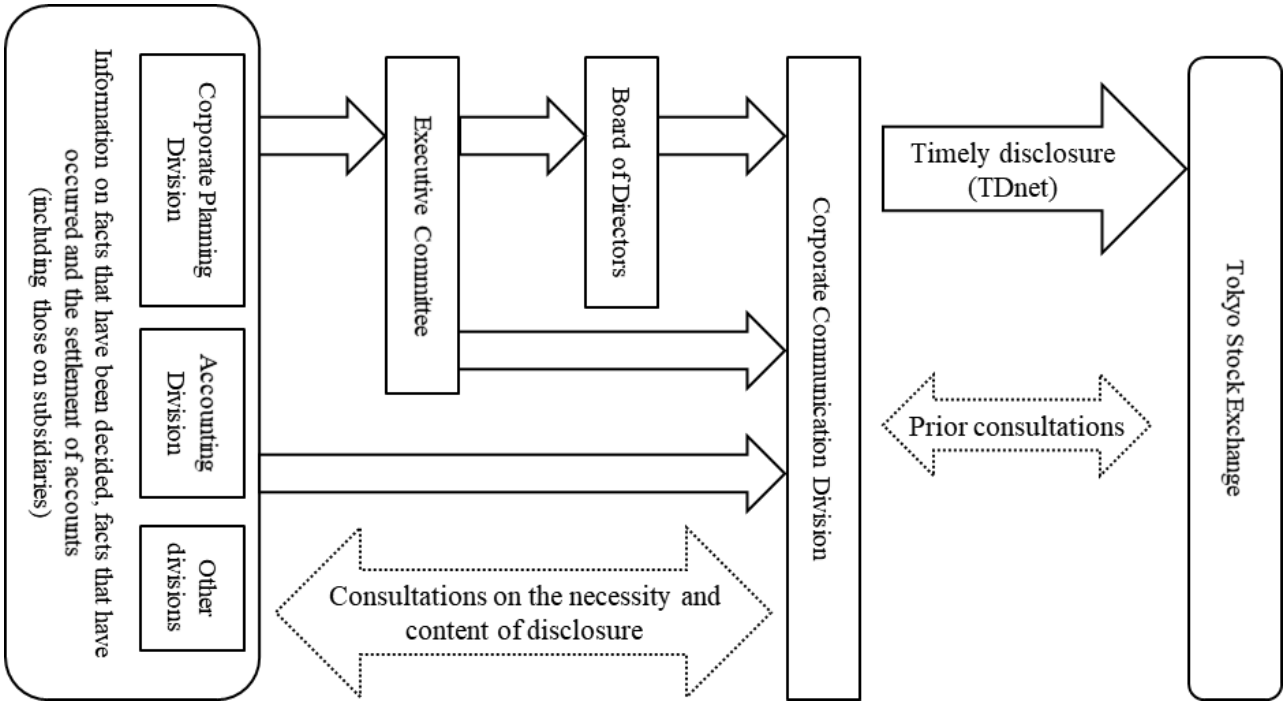
In addition, if an officer or an employee buys or sells his/her company’s shares, the officer will submit prior notification to the chief information officer and the employee to the information manager at least three business days before the commencement date of the scheduled contract period and confirm that the trading does not fall under insider trading (if the trading falls under insider trading, it will be suspended until the key fact is published).
With respect to the officers, the risk that the trading will fall under insider trading will be minimized by limiting the trading period of the company’s shares to a certain period, for example, after the announcement of financial results (including quarterly results).
The Internal Rules on the Prevention of Insider Trading and the blank form of the prior notification mentioned above are posted on the bulletin board on the Intranet and the dedicated website of the MOL Group so that the officers and employees can view them at any time.

5. In-house training system

MOL has developed an educational and training system to enable all employees to regularly deepen their recognition of the significance of the prevention of insider trading and timely disclosure through stratified training courses, regular in-house workshops, e-learning and tests, etc.
In addition, MOL also provides the officers and employees of the Group companies with similar courses and original tests, and the Group companies, mainly consolidated subsidiaries, have also developed an in-house system for preventing insider trading.

End

<Exhibit>



MOL undertakes timely disclosure based on the systems below, with the Corporate Communication Division as the contact.

1. Collection and determination of corporate information

Consolidate corporate information on MOL and its subsidiaries that could be subject to timely disclosure into the Corporate Communication Division.

2. Determination of the necessity of timely disclosure

Determine the necessity of the timely disclosure of aggregated corporate information through internal consultations and prior consultations with the Tokyo Stock Exchange.

3. Confirmation of content to be disclosed

Confirm that the content to be disclosed is accurate and sufficient based on the Timely Disclosure Rules.

4. Timely disclosure through the Tokyo Stock Exchange

Undertake the timely disclosure of facts that have been decided and information on the settlement of accounts without delay after the decision or approval, and of facts that have occurred without delay after the occurrence.