

Human Resource Cultivation and Community Development

Human resources drive growth of the Group and underpin its brand and reliability. Based on MOL CHART, the values shared by all Group members worldwide, we will sustain this growth and establish a new competitive superiority by achieving real diversity management that fosters, promotes, and empowers personnel from many different backgrounds.

Furthermore, by providing training through in-house educational institutes and offering stable employment, we will secure highly competent crew members—who are indispensable for our operations—and contribute to the economic and industrial development of emerging countries.



Basic Policy on Human Resources Development

Challenges

As the structures of the Company's businesses become increasingly complex and employees' career aspirations and work styles diversify, the human resources needed to implement the Company's management and business strategies are changing significantly in terms of both quality and quantity. To realize the profit level we are targeting over the medium term, it is crucial that we reform our organization and human resources to heighten the competitiveness of our organization.

Strategies

- 1 Foster employees who have personal initiative, a sense of responsibility, the competence to play important roles in a global market, and the creativity to bring about change
- 2 Produce leaders who can set and pursue clear visions together with team members
- 3 Foster an organizational culture that encourages diverse personnel to generate creative ideas and take on challenges

Introduction of a New Personnel System



Reflecting the changes in the fields and nature of our businesses as well as changes in the values of workers, we began operating a new personnel system in July 2018. The new system diversifies the range of career choices available to employees with the aim of the early development of management candidates and the fostering of specialists. Simultaneously, the system pushes towards maximizing employees' performance by supporting self-directed career planning. In fiscal 2020, the third fiscal year since the introduction of the personnel system, we will verify its effectiveness with the aim of making it even more practical.

The Aims of the New Personnel System

(1) Early development and production of management personnel

Foster the next generation of management personnel at an early stage, identify potential leaders, and provide these talented personnel with opportunities to take the helm of organizations

(2) Diversification of career choices

Increase competitiveness by developing and securing both generalists and specialists

(3) Support for self-directed career development

Create organizations and systems that encourage each employee to become aware of their value and potential, make full use of their talents and expertise, and forge ahead with creative work



Promotion of Global Personnel Management



Employees of many different nationalities play active roles in our operations worldwide. With this in mind, we are establishing employee-friendly working environments that allow personnel to take maximum advantage of their abilities irrespective of national or regional backgrounds. We are also building a uniform system for the evaluation and assignment of personnel that transcends regional boundaries. In particular, our appointment of crew members to onshore duties is becoming more borderless. In an increasing number

of cases, we are assigning captains, chief engineers, and other senior crew members of various nationalities to onshore office duties, such as vessel management and crew member training. With reference to such cases, we will continue promoting global personnel management Companywide through initiatives that include the One MOL Global Management College, which is explained in more detail below.

One MOL Global Management College

Since 2014, we have been holding One MOL Global Management College annually with the aim of fostering "One MOL global executives" capable of conducting diversity management in the coming generation's cross-cultural working environments. From all over the world, participants visit Japan to deepen their understanding of self-education, organization management, and leadership in globalized business situations. Furthermore, participants are split into teams, which discuss and analyze issues and future directions for the MOL Group and then offer recommendations to the Company's senior management team. Approximately 60 employees have completed the program, which has been held six times to date. Some of those who have completed the program are currently working at our Head Office to establish new businesses based on recommendations submitted during the program. Through such efforts, we are steadily widening the pool of global executive candidates.



Promotion of Diversity and Inclusion



We view diversity as encompassing not only such superficial attributes as gender, nationality, and age but also each individual's inner characteristics, including experience, natural aptitudes, skills, and values. We will establish a new competitive superiority by creating working environments and an organizational culture that motivate employees worldwide to work enthusiastically and energetically and which encourage employees with different personalities and skills to work as a team. From fiscal 2020 onward, we will advance talent management that is even more focused on the quality of human resources. Specifically, we will build a system that increases our ability to assign the right people to the right jobs by identifying employees' skills and experience as well as the requirements of each division in greater detail.

Further Empowerment of Female Employees

We believe that further empowerment of female employees is important for securing talented personnel and for reflecting diverse perspectives in the advancement of business activities, governance, and risk management. Accordingly, we are proactively moving forward with a range of initiatives based on an action plan prepared in March 2016 pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace. For example, we have enhanced and expanded systems with a focus on child-rearing support, increased career development support, and conducted activities to create networks among female employees.

Please refer to page 15 for information on our number and percentage of women in managerial positions.

For details on our employment of athletes and other specific measures and information related to diversity, please visit our website. <https://www.mol.co.jp/en/sustainability/hr/diversity/index.html>

Introduction of a System for Proposing New Businesses



In fiscal 2019, we introduced a system for proposing new businesses, which encourages employees to take on challenging initiatives and develop their careers in a self-directed manner. Under the new system, depending on the details of the proposal, employees present their ideas for new businesses or services to executives and/or the relevant person in charge within the Company. If a proposal is highly evaluated, the employees can transfer to the most relevant

department and begin working on realizing the proposal. Operating this system will cultivate a bold mindset among employees in accordance with the MOL CHART values as well as help meet our need to find new businesses that are not bound by the limits of conventional marine transport. In fiscal 2019, eight proposals were submitted. After review, four of these have advanced to the phase of being developed for commercialization.

Promotion of Work-Style Reform



We are tackling work-style reform to realize an organizational culture that enables employees to work with vitality, thereby enhancing the competitiveness of our human resources and achieving innovation.

Our initiatives are based on the belief that in realizing our management vision we must establish an organization and culture that not only encourage employees to perform their duties in a highly efficient manner but also motivate employees to give concrete form to innovative ideas.

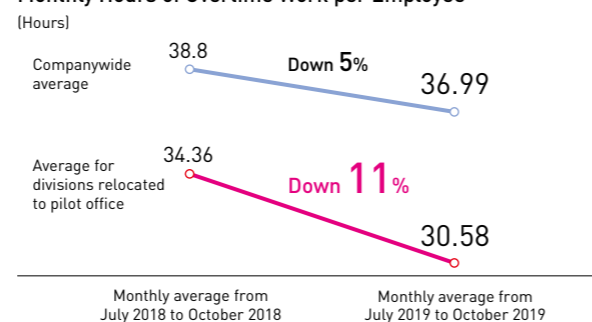
Chaired by the president, the Work-Style Reforms Committee has led the advancement of specific measures focused on reforming four areas: the personnel system, corporate culture, workplaces, and productivity. One particularly successful result of these reforms is a pilot office in which employees freely choose where to sit and work, which we introduced in fiscal 2019. Verification has confirmed that the pilot office is producing benefits across the board, including work-style flexibility, cross-divisional communication, and productivity enhancement. Moreover, thanks to measures we have been promoting to advance working from home and to reform work processes, in response to the

▶ For details on our initiatives related to work-style reform, please visit our website.
<https://www.mol.co.jp/en/sustainability/hr/workstyle/index.html>

COVID-19 pandemic more than 90% of our employees transitioned to working from home at the height of our telecommuting initiatives, and we have been able to continue business activities without hindrance.

We will continue to enhance productivity and establish an employee-friendly working environment by forging ahead with work-style reform without being constrained by existing operational practices.

Monthly Hours of Overtime Work per Employee



* "Hours of overtime work" refers to hours worked in excess of the Company's regular working hours (seven hours per day) multiplied by the number of working days in a given month.

Promotion of Health and Productivity Management



Ensuring the health and safety of employees and providing working environments where they can work with peace of mind is a prerequisite for business activities and the base for MOL's sustained growth. Furthermore, maintaining and promoting the physical and mental health of all executives and employees is essential for dynamic, innovative organizations and for realizing vessel operations with the highest levels of safety in the world. Our Diversity and Healthcare Management Team leads the provision of a range of support and the establishment of environments that enable employees to maintain and improve their physical and mental

health and work with enthusiasm and vitality. Reflecting high evaluations of these initiatives, for the second consecutive year MOL has received certification as one of the Outstanding Enterprises Engaging in Efforts for Health and Productivity Management in the large enterprise category ("White 500") of the program jointly conducted by Japan's Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.

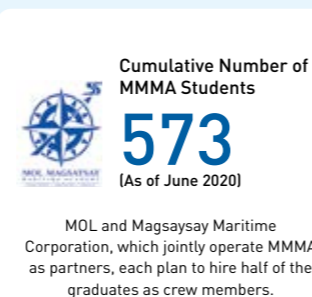


▶ For details on our initiatives related to the promotion of health and productivity management, please visit our website.

<https://www.mol.co.jp/en/sustainability/hr/health/index.html>

Our Contribution to the Development of Local Communities Operating a Maritime Academy in the Philippines

Since 2018, we have been operating one of the largest independent maritime academies in the Asia-Pacific region, MOL Magsaysay Maritime Academy Inc. (MMMA), which is located in the Philippines. For many years, we have been actively fostering marine transport professionals in the Philippines under the Academia-Industry Linked Program, which is promoted by the Philippine government. By extending and developing these initiatives, MMMA will help the country's students realize active, rewarding futures. MOL will proactively hire MMMA graduates as crew members with the aim of continuously training quality candidates for senior positions and thereby realizing vessel operations with levels of safety that are among the highest in the world. As of 2020, the third year since the academy's establishment, a cumulative total of 573 students have enrolled at MMMA to study the knowledge and skills of marine transport professionals. MMMA graduates are expected to play important roles in the MOL Group as well as in the global marine transport sector.



A Message from the Executive Officer Responsible for Diversity Promotion and the Human Resources Division

Since April 2019, I have been the executive officer responsible for Diversity Promotion and the Human Resources Division. With respect to diversity promotion, my task is to secure diverse talent and thereby further enhance our corporate value. As for the Human Resources Division, I focus on helping realize management strategy by working in partnership with each business division to maximize employee motivation and to make optimal use of employees' talents. In each of these capacities, my mission is to take concrete measures that will help sustain the growth of the MOL Group.

In order to accomplish this mission, the focus will be on optimizing our talent management and organization based on analysis of the MOL Group from a higher perspective. In doing so, not only will we focus on diversity with respect to such attributes as gender, nationality, and age but also experience, personality, skills, cultural background, and values. At the same time, I want to act as an intermediary between the senior management team and employees. My aim is to communicate the senior management team's views to employees while also providing the team with employee feedback.

Emphasized the Establishment of Forward-Looking Frameworks in Fiscal 2019

At present, we are in the middle of crafting a new business model that reaches beyond conventional marine transport. These efforts are based on a management vision calling on us to "Become a Group of Business Units with No. 1 Competitiveness in Respective Areas." A new personnel system was introduced in fiscal 2018 and a system for proposing new businesses began in fiscal 2019. These are some examples of frameworks set up to match MOL's new business model and to realize the aforementioned management vision.

One reason for creating the new personnel system was to diversify the range of careers we offer. This diversification is essential because the types of personnel that the Group needs are changing as it operates in a greater number of fields and regions and its business formats become more complex. Diversification of our career menu is also important because the attitudes of employees to careers are evolving in step with changes in social conditions and the job market. The new personnel system will help employees to make the most out of their abilities while

respecting the priorities of each individual, thereby enabling them to develop their careers in an effective, self-directed manner. At the same time, the development of a workforce comprising personnel with diverse careers will enable each business division to acquire the human resources it needs.

Further, the system for proposing new businesses is expected to contribute significantly to the construction of a new business model. An emphasis on minimizing the risk associated with employee behavior has become part of our culture due to the nature of our mainstay marine transport business, where ensuring safe operations is the first priority. When a company is creating new businesses and venturing into new business fields, however, it should place greater emphasis on speed and appetite for challenges and permit a certain amount of risk taking. "Challenge" is the first of the MOL CHART values. With this in mind, I want to reawaken and foster the DNA that has helped us to take on ambitious challenges and succeed.

Using Fiscal 2019 Achievements as the Basis for Further Evolution of Initiatives

In fiscal 2019, we introduced a variety of systems. For all of these, high-quality management will be the key to their success. Accordingly, we will take steps to further refine the new systems by amending each of them so that it functions even more effectively. In conjunction with these steps, we will evolve talent management so that it better reflects the attributes of each individual, including their skills and values. In addition, plans call for the establishment of KPIs for diversity and other aspects of operations.

The large number of our employees who display a truly unstinting, committed attitude to their work gives me a sense of pride as the executive officer responsible for the Human Resources Division. In creating conditions more conducive to employees realizing their ideas and potential, there is no silver bullet. Rather, by implementing an array of measures under a cohesive plan, I want to enable growth among our precious employees and enhancement of the MOL Group's corporate value.

Our human resources strategy will support a new MOL that reaches beyond conventional marine transport.

Junko Moro

Executive Officer Responsible for Diversity Promotion and the Human Resources Division

