

MOL

Investor

Guidebook

May 2004

Mitsui O.S.K. Lines, Ltd.

<http://www.mol.co.jp/ir-e/>

MOL Group Corporate Principles

- 1. As a multi-modal transport group, we will actively seize opportunities that contribute to global economic growth and development by meeting and responding to our customers' needs to this new era**
- 2. We will strive to maximize corporate value by always being creative, continually pursuing higher operating efficiency and promoting an open and visible management style that is guided by the highest ethical and social standards**
- 3. We will promote and protect our environment by maintaining strict, safe operation and navigation standards**

Long-Term Vision

To make the MOL Group an excellent and resilient organization that leads the world shipping industry

Forward-Looking Statements

This Investor Guidebook contains forward-looking statements concerning MOL's future plans, strategies and performance. These statements represent assumptions and beliefs based on information currently available and are not historical facts. Furthermore, forward-looking statements are subject to a number of risks and uncertainties that include, but are not limited to, economic conditions, worldwide competition in the shipping industry, customer demand, foreign currency exchange rates, price of bunker, tax laws and other regulations. MOL therefore cautions readers that actual results may differ materially from these predictions.

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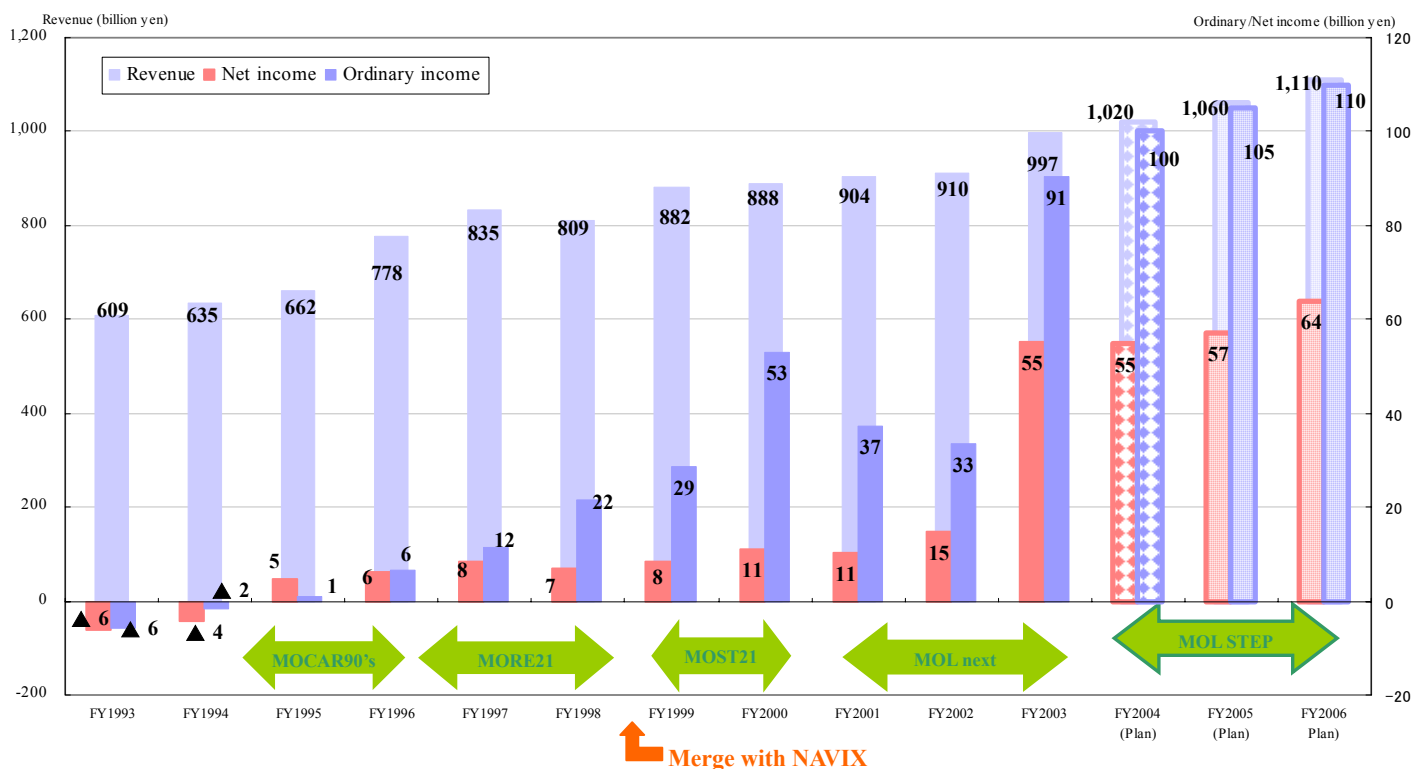
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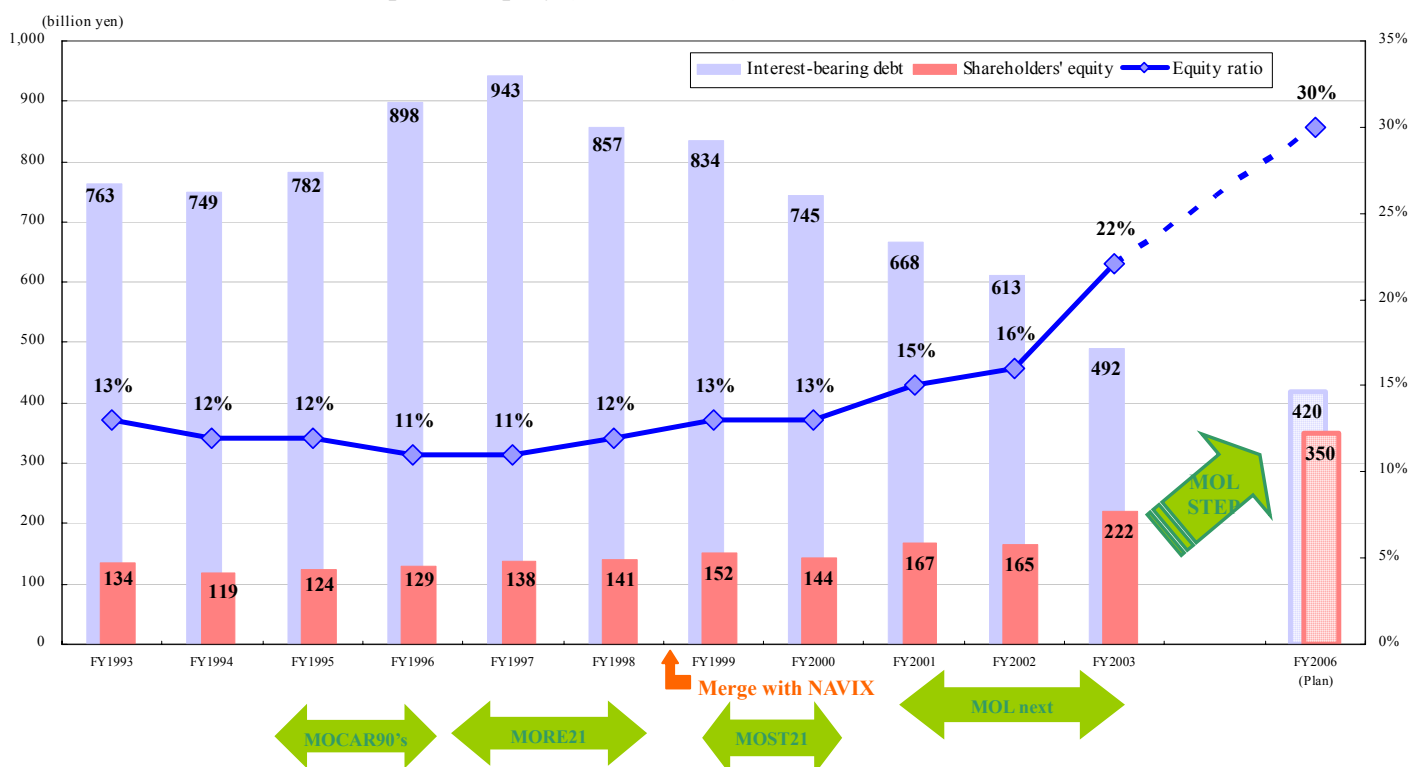
1. MOL at a glance

① The MOL Group Business Performance (FY1993-2006)

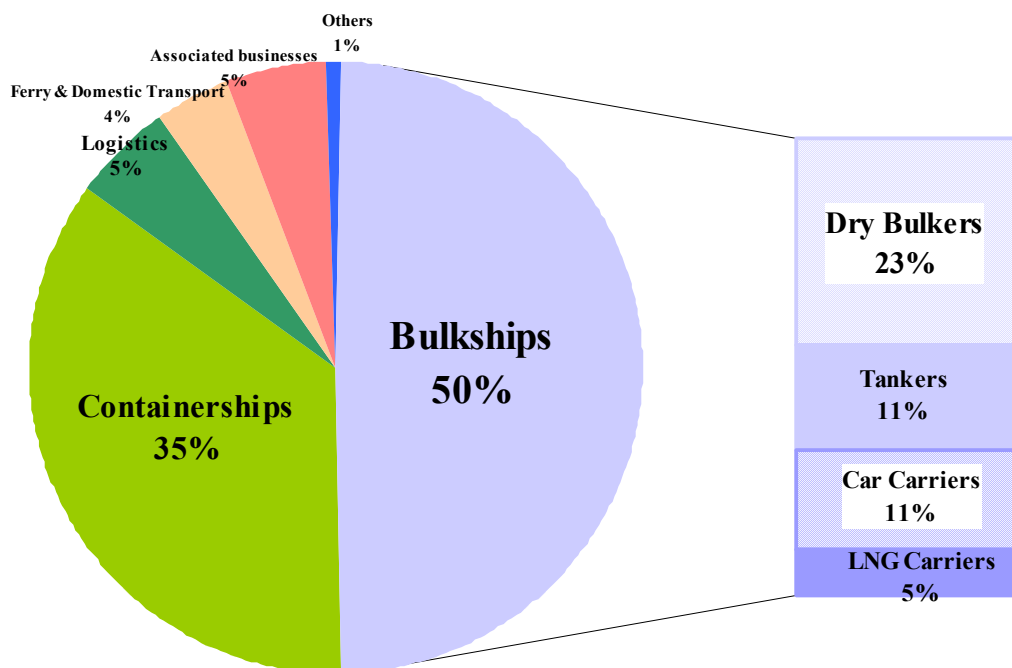


	FY1993	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2005-2006
Average Exchange Rate (¥/\$)	108	100	96	112	123	130	112	110	125	122	114	110
Average Bunker Price (\$/KT)	89	102	108	116	105	80	117	159	136	163	178	150

② The MOL Group Debt/Equity (FY1993-2006)



③ Consolidated Revenue Portfolio by Segments



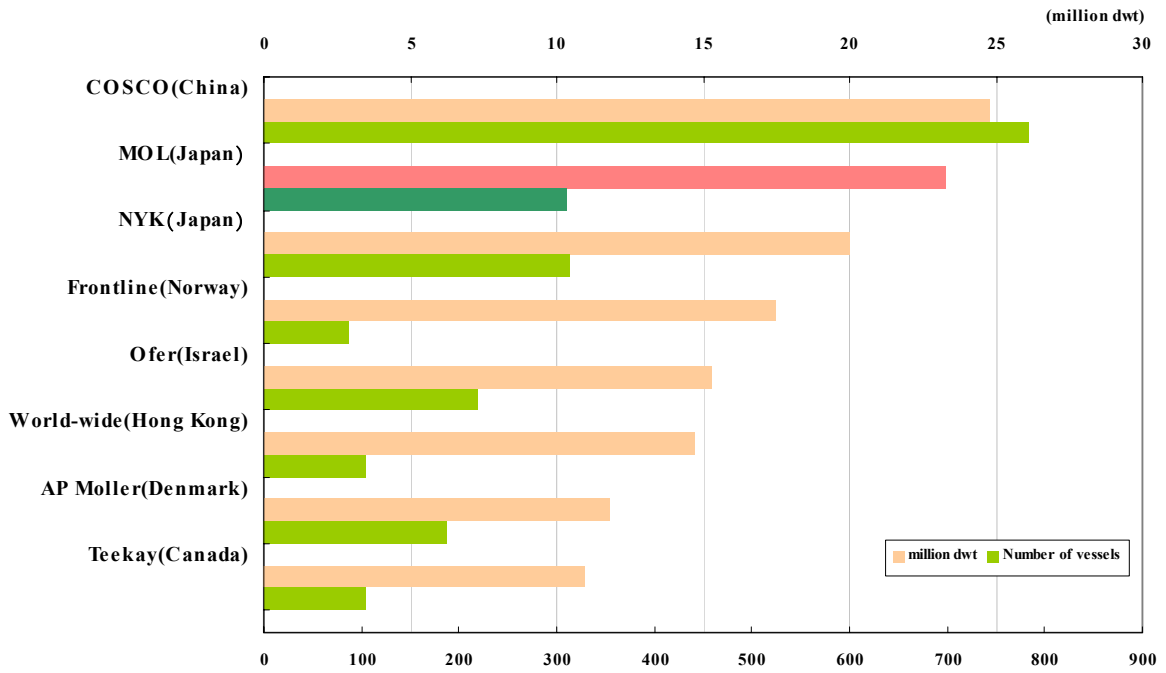
*Breakdown is based on outlook for FY2004 (Total revenue = 1,050 billion yen).

④ Fleet Composition (at the end of March 2004; Including spot chartered vessels)

			Consolidated		Non-Consolidated	
			No. of vessels	1,000dwt	No. of vessels	1,000dwt
Containerships			72	3	71	2,975
Dry Bulkers	Bulkers	Cape size	82	13	82	13,323
		Others	128	7	125	7,166
	Wood chip carriers	34	2	34	1,574	
	General cargo carriers	39	0	8	162	
	(Sub total)	283	22,625	249	22,224	
Car carriers			83	1	82	1,181
Tankers	Crude oil tanker		34	9	34	8,622
	Product tanker		23	1	23	1,249
	Chemical tanker		55	1	15	590
	LPG/Ammonia carrier		7	0	7	233
	(Sub total)		119	11,319	79	10,694
LNG carriers			33	2	24	1,633
Cruise ships			1	0	1	5
Ferry/Domestic transport			37	0	4	23
Others			2	0	2	13
Total			630	41	512	38,747
Tugboats			28			
Grand total			658			

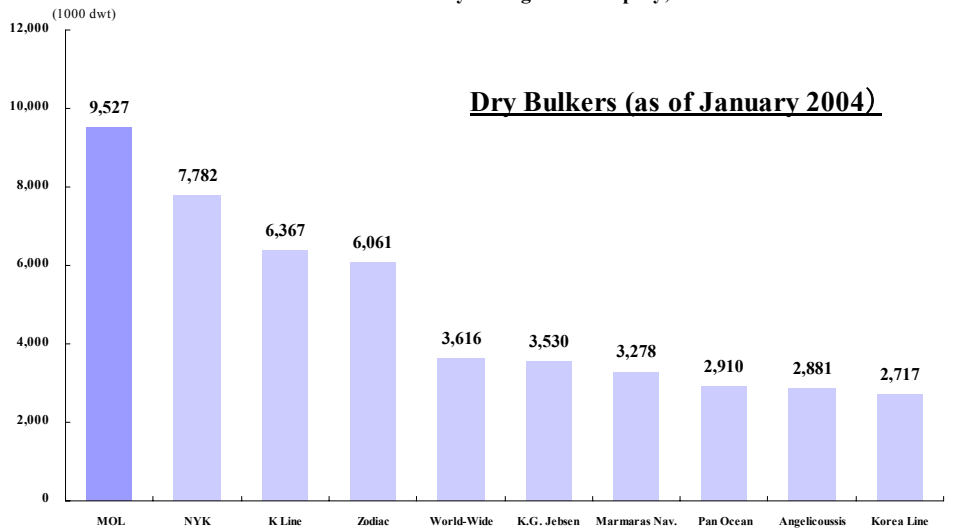
⑤ World Major Carriers Fleet Size Ranking (excluding spot-chartered vessels)

All Vessel Types (Consolidated/Chartered vessels excluded; as of January 2004)



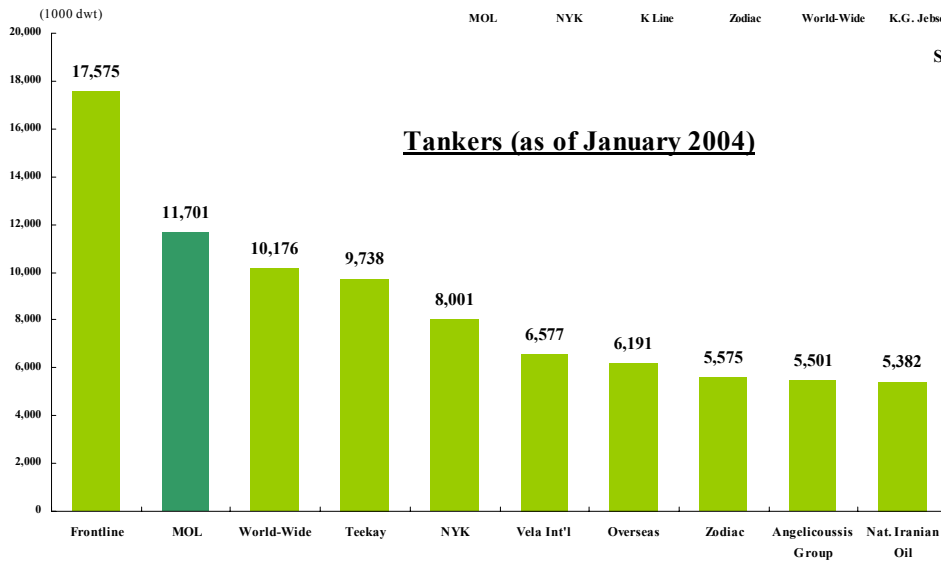
Source: Lloyds Register Fairplay, Clarkson

Dry Bulkers (as of January 2004)

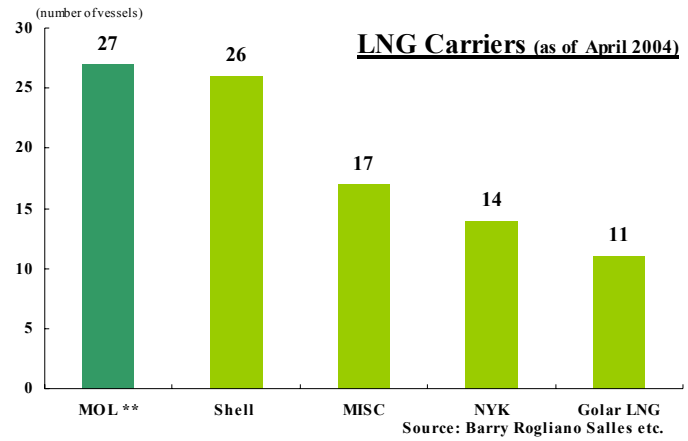


Source: Clarkson Bulkcarrier Register 2004

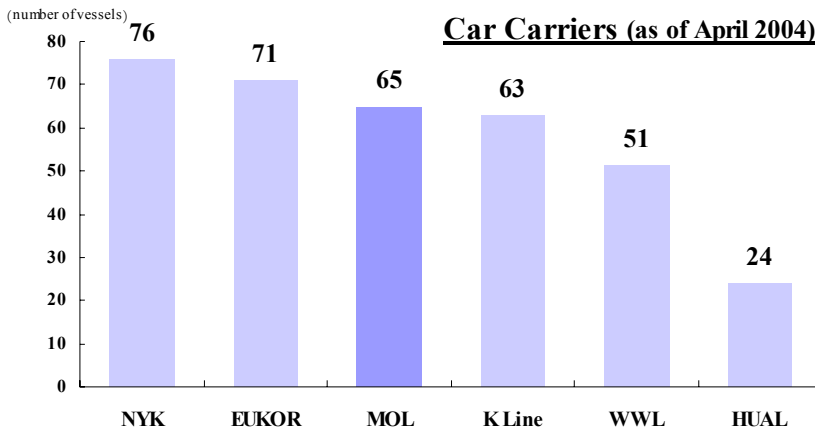
Tankers (as of January 2004)



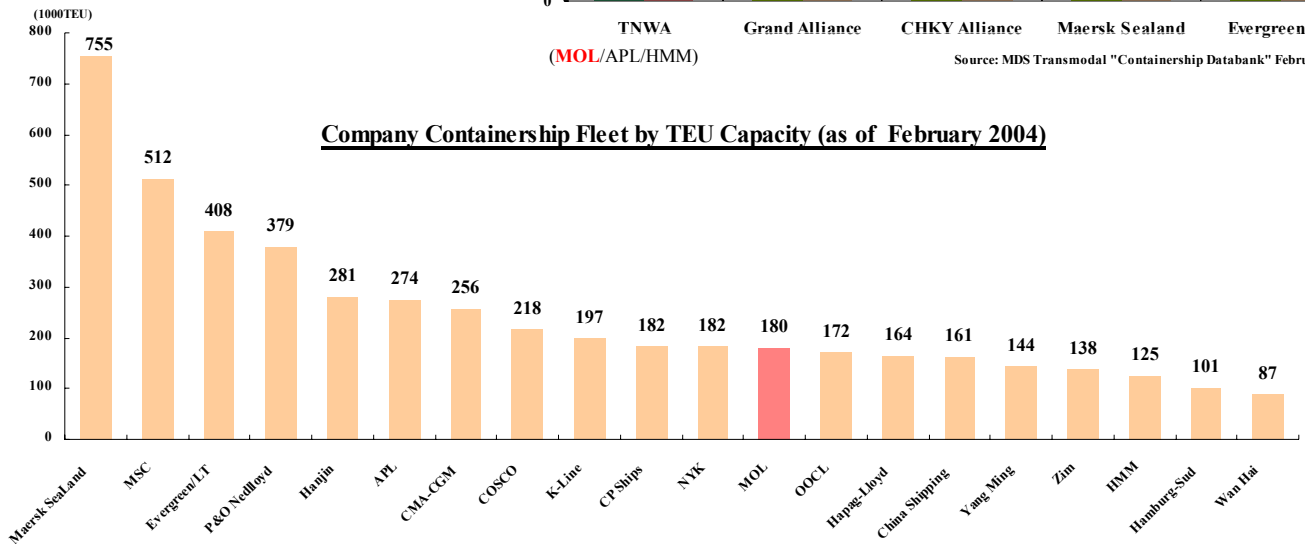
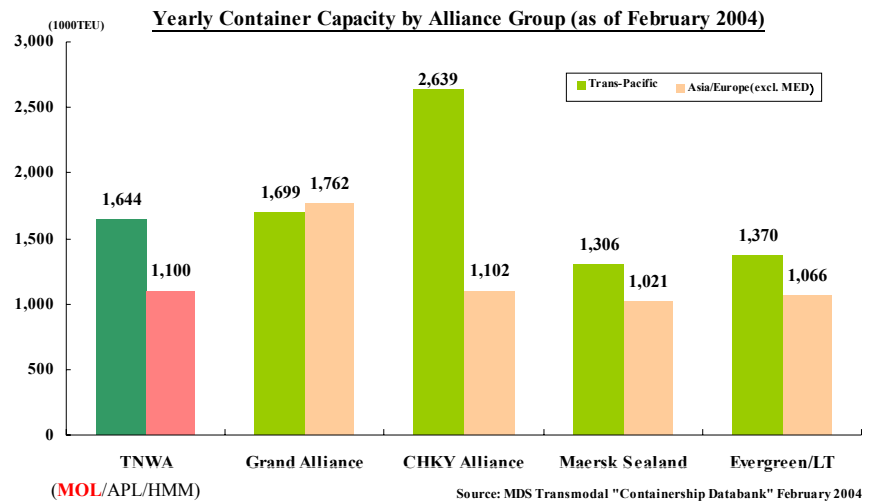
Source: Clarkson Tanker Register 2004



*Fleet under its management or more than 50% of ownership
 **Participation in the projects operating 58 vessels of the total about 223 in the world including the ones to be delivered by the end of 2007.



* MOL internal calculation based on Fearnleys' July 2003 data, HESNES December 2003 data etc.



Source: MDS Transmodal "Containership Databank" February 2004

2. MOL STEP

The MOL Group Mid-Term Management Plan FY2004-2006

MOL STEP

Mitsui O.S.K. Lines' Strategy towards Excellent and Powerful Group

Main Theme: "Growth"

- Develop the MOL Group into the largest, highest-quality, unique ocean transportation company group with full range of services.

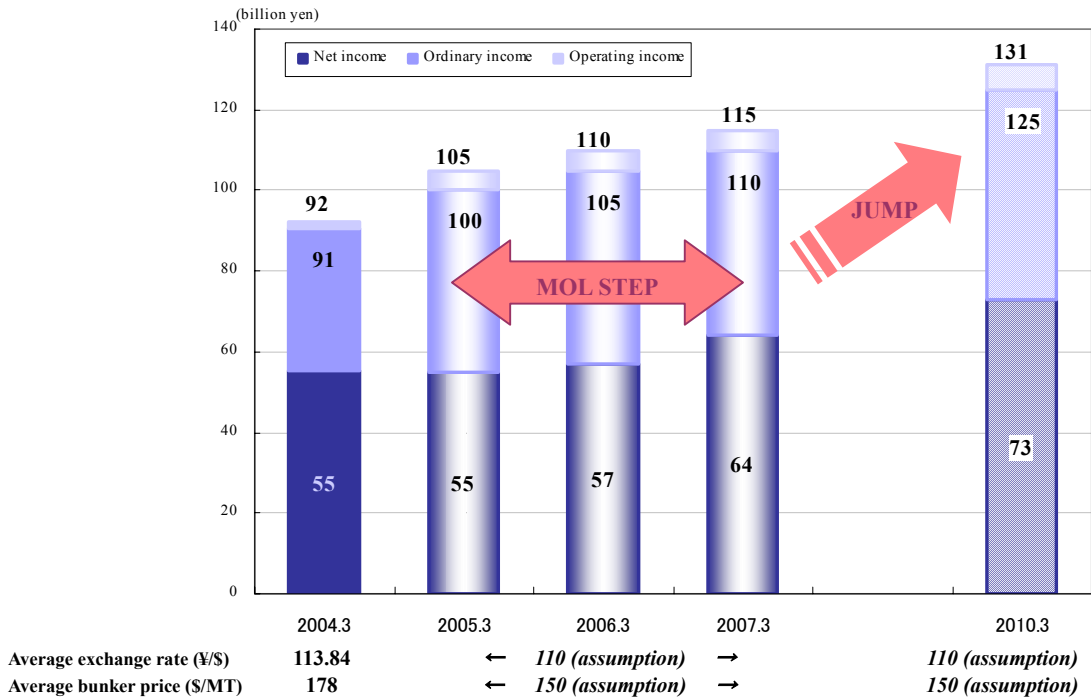
[The MOL Group Mid-Term Management Plan History]

Sept. 1994	Phase 1	MOCAR 90's (MOL's Creative & Aggressive Redesigning, 90's)
Mar. 1996		Target: Strengthen MOL's global competitiveness
Jul. 1996	Phase 2	MORE21 (Mitsui O.S.K. Lines Redesigning for 21)
Mar. 1999		Target: 1) Strengthen MOL's Groupwide market competitiveness and strengthen the overall Group to maximize consolidated profits 2) Further enhance MOL's non-consolidated competitiveness to restore dividend payments as quickly as possible, and stable dividend payment structure.
Apr. 1999	Phase 3	MOST21 (Mitsui O.S.K. Lines' Strategy Towards 21)
Mar. 2001		Target: 1) Optimize Groupwide allocation of management resources to strengthen international competitiveness, allowing each Group company in Japan and overseas to become a resilient company. 2) MOL itself seeks maximization of merger effects to ensure a dividend payment structure that allows MOL to consistently pay 3) Maximize Groupwide shareholders' value as well as non-consolidated value.
Apr. 2001	MOL next (Mitsui O.S.K. Lines' new expansion target)	Target: 1) Make MOL Group excellent and resilient in the world shipping
Mar. 2004		2) Non-consolidated management strategy: Growth and expansion 3) Consolidated management strategy: Selection and concentration
Apr. 2004 Mar. 2006	MOL STEP (Mitsui O.S.K. Lines' Strategy towards an Excellent & Powerful Group)	

FY2001-2003 MOL next Target (Consolidated) Achievement

	FY2000	FY2003	
		Target	Result
Revenue	¥888 bil.	¥1,000 bil.	¥997 bil.
Ordinary income	¥53 bil.	¥66 bil.	¥91 bil.
Net income	¥11 bil.	¥34 bil.	¥55 bil.
Earning per share	¥9.01	¥28	¥46.14
ROE	7.4%	15.0%	28.7%
ROA	3.0%	4.0%	6.4%
Equity ratio	12.7%	20.0%	22.1%
Interest-bearing debt	¥745 bil.	¥600 bil.	¥492 bil.

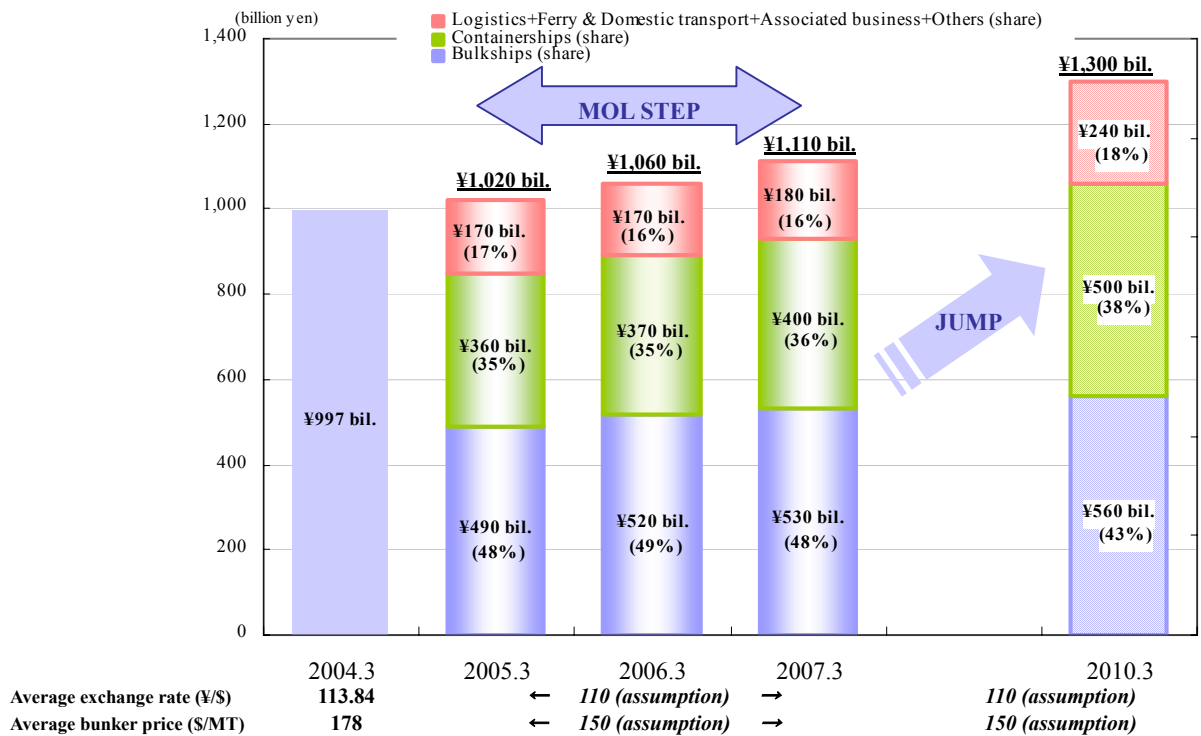
Consolidated P/L Plan



	2004.3	2005.3 Target	2006.3 Target	2007.3 Target	2010.3 Target
Consolidated profit margin ratio target	9.1%	9.8%	9.9%	9.9%	9.6%

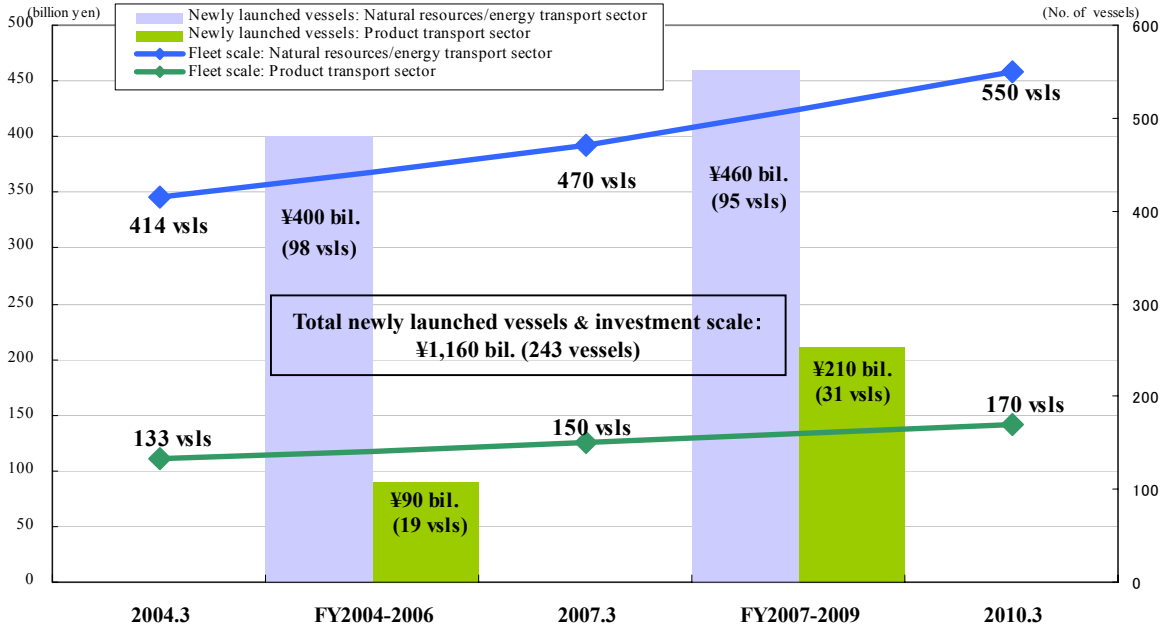
Exchange rate sensitivity/year: ±¥1.3 bil./1¥
 Bunker price sensitivity/year: ±¥0.3 bil./1\$
 (Consolidated ordinary income basis)

Consolidated Revenue Target by Segment



- 1. Strategies for growth – along with expansion of world seaborne trade -**
- 1) Effectively invest in the ocean shipping business in growing segments
 - 2) Expand business in growing countries and areas

Consolidated Fleet Plan



Natural resources/energy transport business
(Dry bulk/Tanker/LNG carrier)
Solidify the MOL Group's world-leading position by further expansion

Product transport business
(Containership/Car carrier/Logistics)
Meet diversified customer needs and grow in line with the market.

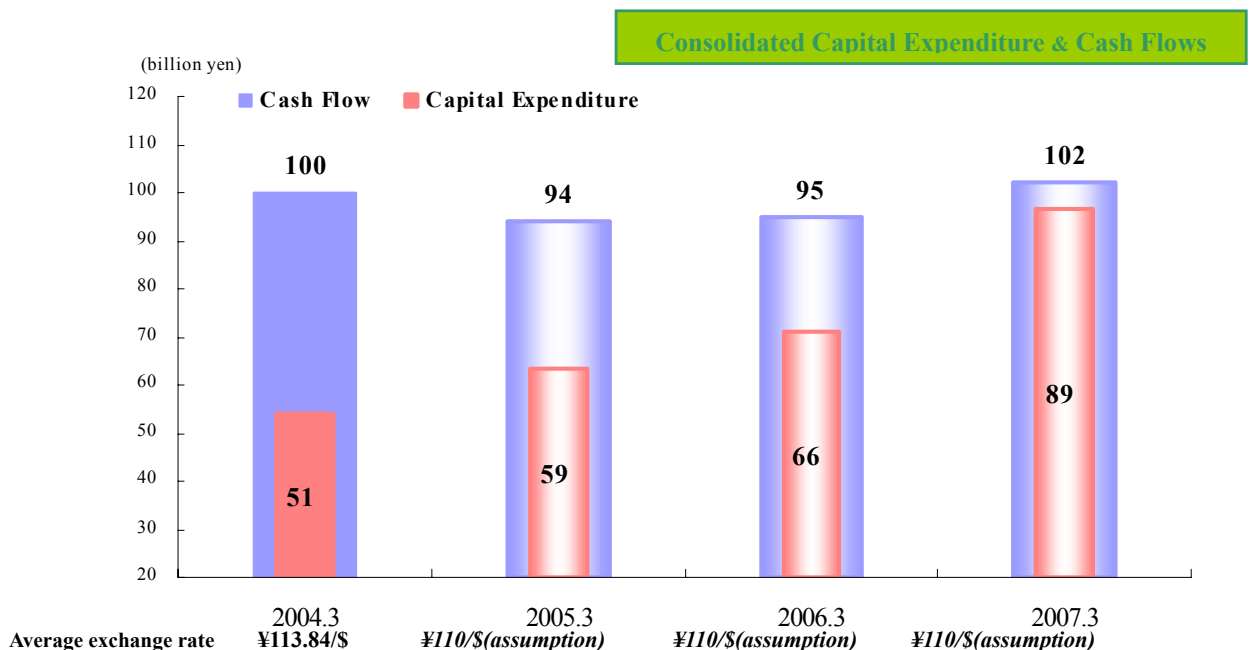
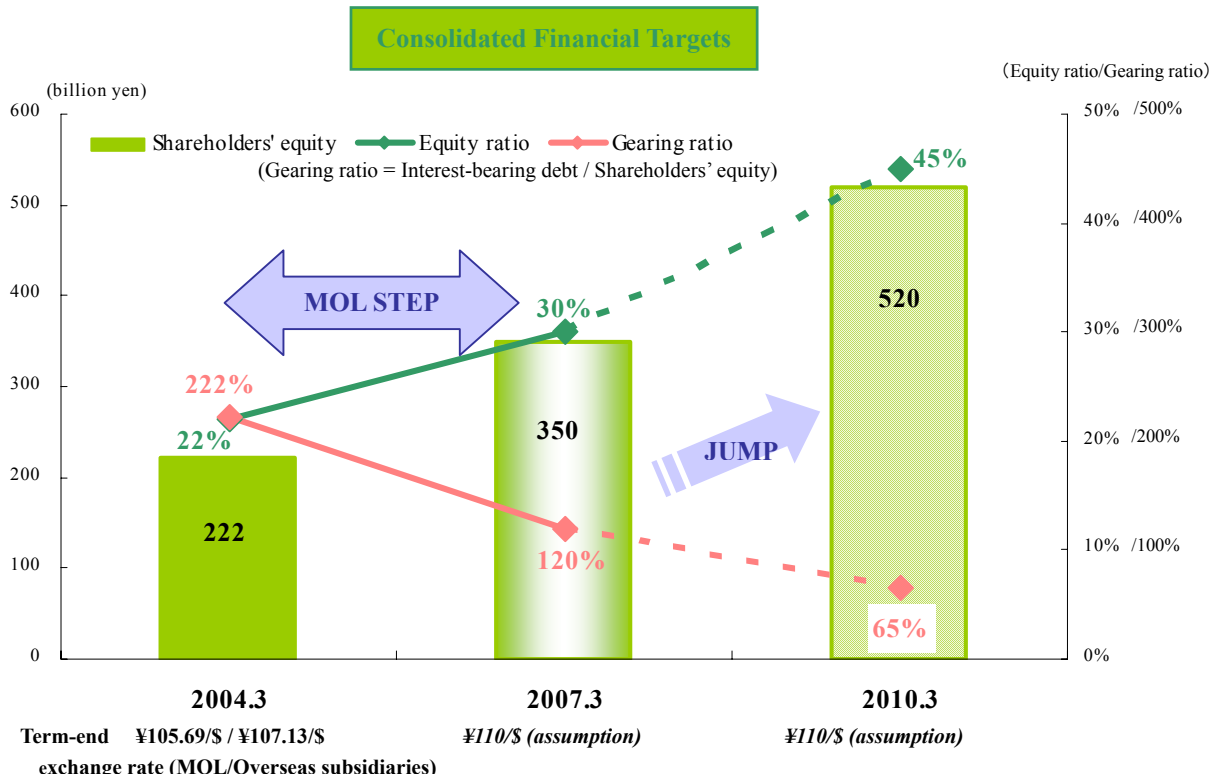
		at the end of 2004.3	Newly launched vessels (FY2004~2006)	at the end of 2007.3	Newly launched vessels (FY2007~2009)	at the end of 2010.3	
Product transport business sector							
Containerships	Fleet scale	57 vessels	→	64 vessels			
	Slot capacity	2.4 mil. TEU		2.9 mil. TEU			
	Newly launched vessels		7 vessels				
Car Carriers	Fleet scale	76 vessels	→	84 vessels			
	Newly launched vessels		12 vessels				
Sub Total	Fleet scale	133 vessels	→	150 vessels	→	170 vessels	
	Newly launched vessels		19 vessels		31 vessels		
	Total ship costs		¥90 bil.		¥210 bil.		
Natural resources/energy transport sector							
Dry bulkers (incl. Cape size bulker)	Fleet scale	249 vessels	→	262 vessels			
	Newly launched vessels		49 vessels				
	Fleet scale	65 vessels	→	75 vessels			
	Newly launched vessels		25 vessels				
Tankers (incl. Product tanker)	Fleet scale	123 vessels	→	146 vessels			
	Newly launched vessels		33 vessels				
	Fleet scale	23 vessels	→	36 vessels			
	Newly launched vessels		18 vessels				
LNG Carriers	Fleet scale	42 vessels	→	58 vessels			
	Newly launched vessels		16 vessels				
Sub Total	Fleet scale	414 vessels	→	470 vessels	→	550 vessels	
	Newly launched vessels		98 vessels		95 vessels		
	Total ship costs		¥400 bil.		¥460 bil.		
Grand Total		Fleet scale	547 vessels	→	620 vessels	→	720 vessels
	Newly launched vessels		117 vessels		126 vessels		
	Total ship costs		¥490 bil. (planned to be on balance)		¥670 bil. (¥310 bil.)		

2. Strategies to increase corporate strength – to prepare for “jump” in the next term -

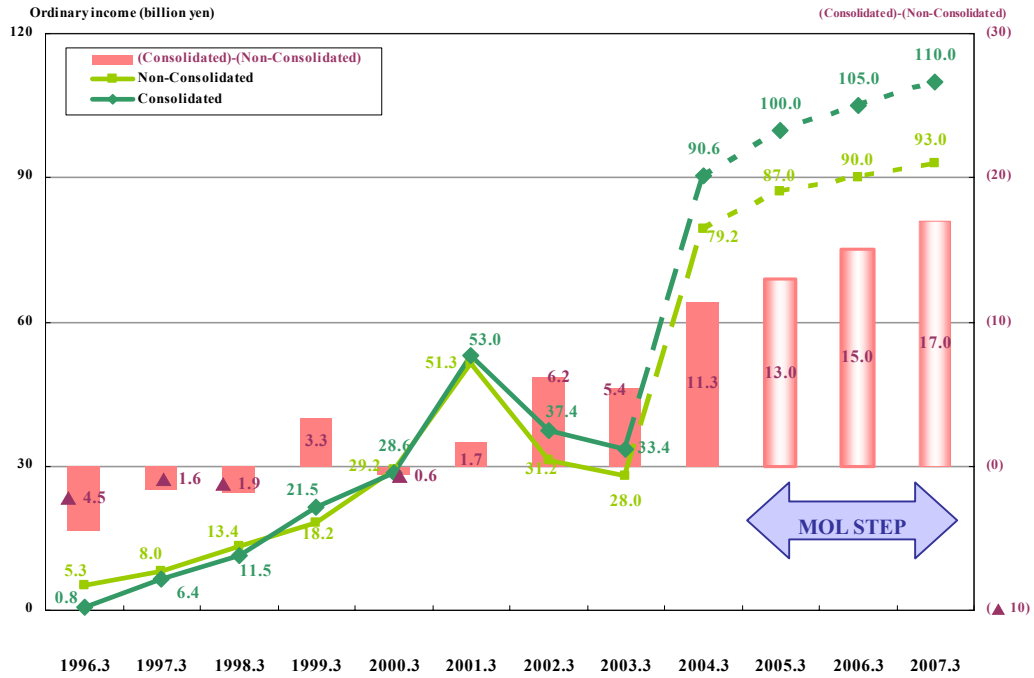
- 1) Solidify financial foundations
- 2) Enhance group-wide management
- 3) Develop human resources

3. Strategies to strengthen competitiveness – to ensure sustainable growth -

- 1) Strengthen customer-oriented sales force
- 2) Strengthen cost competitiveness
- 3) Offer highest-quality services



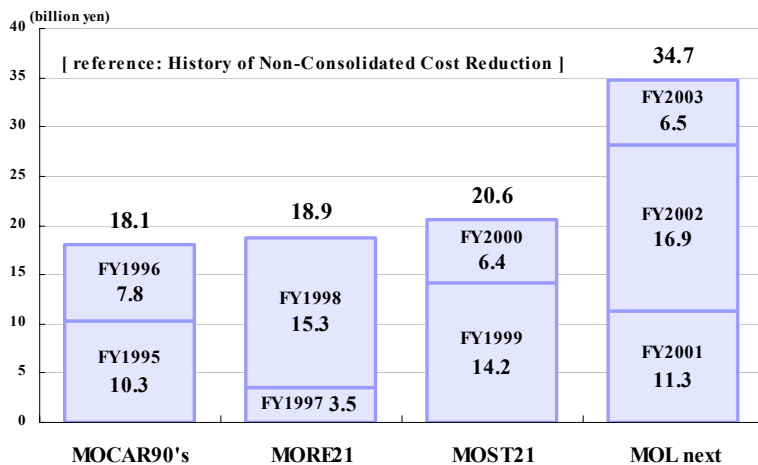
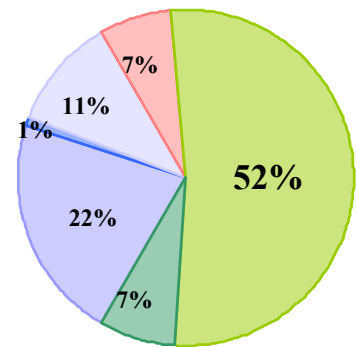
Consolidated/Non-Consolidated Ordinary Income Results/Targets



Consolidated Cost Reduction Plan

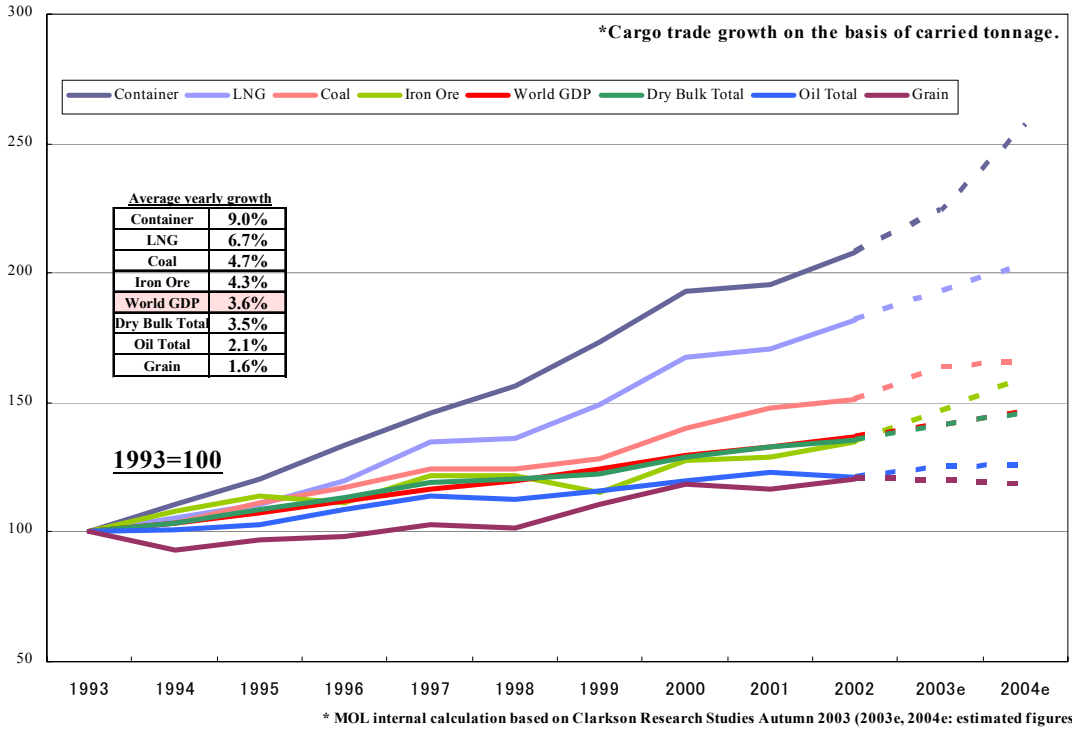
	(billion yen)			
	2005.3	2006.3	2007.3	Total
Sales Division (Voyage expenses, Cargo/container expenses, etc.)	4.0	3.5	3.5	11.0
Administration Division (Vessel expenses, Administration expenses, Interest payments, etc.)	2.5	3.0	3.5	9.0
Total	6.5	6.5	7.0	20.0
MOL (Non-Consolidated)	5.5	6.0	6.0	17.5
Group Companies	2.0	1.5	2.0	5.5
△Contribution to MOL	△ 1.0	△ 1.0	△ 1.0	△ 3.0

[reference: Breakdown of MOCAR90's-MOL next Cost Reduction Total 92.3 bil. yen]

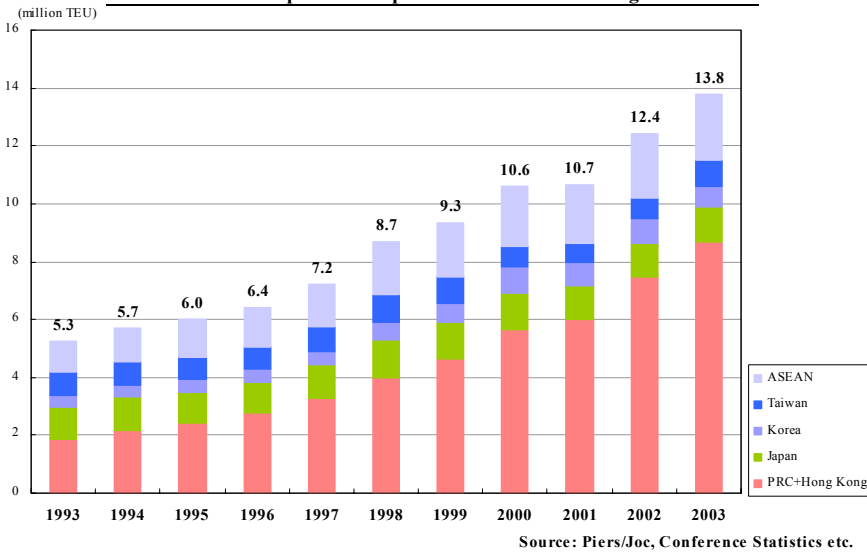


Sales Division	
■	Liner Division
■	Other Sales Division
Administration Division	
■	Vessel expenses
■	Administration expenses
■	General & administrative expenses
■	Non-operating expenses (decrease of interest payments etc.)

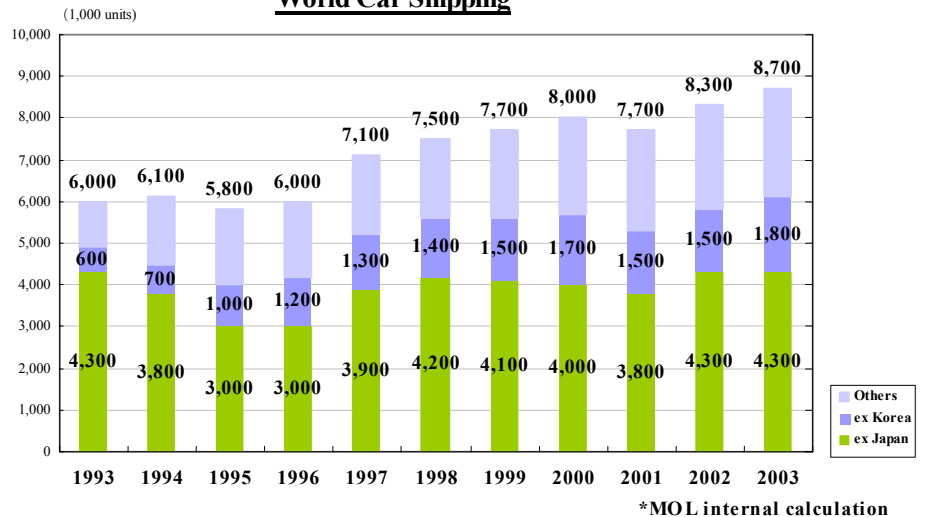
3. Seaborne Trade - the World -

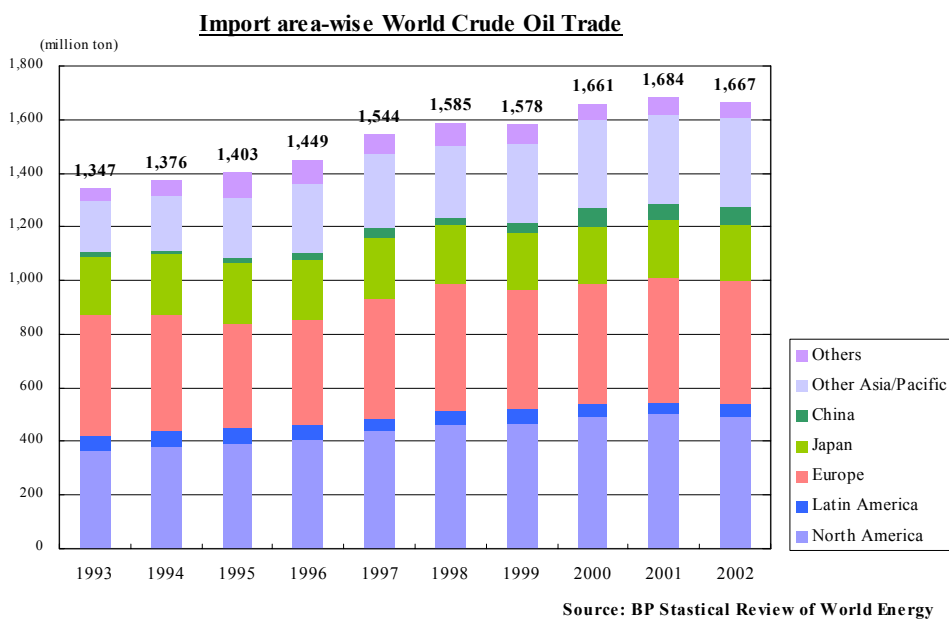
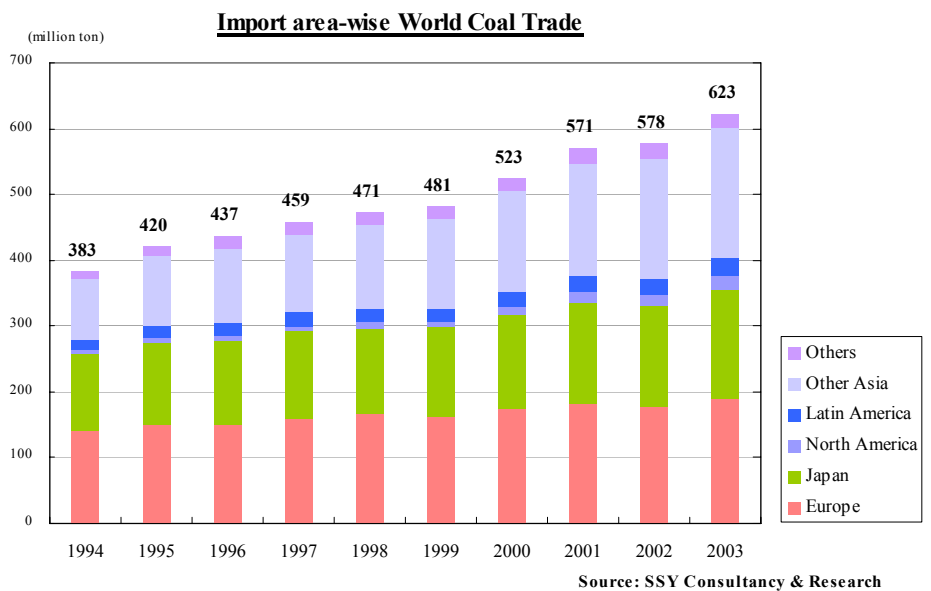
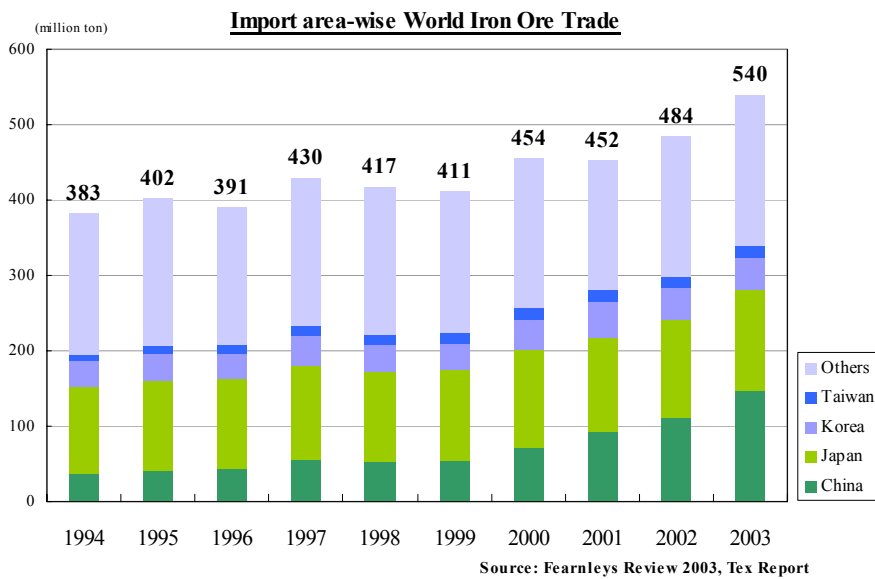


North America/Europe Trade Exporter-wise Container Cargo Movements

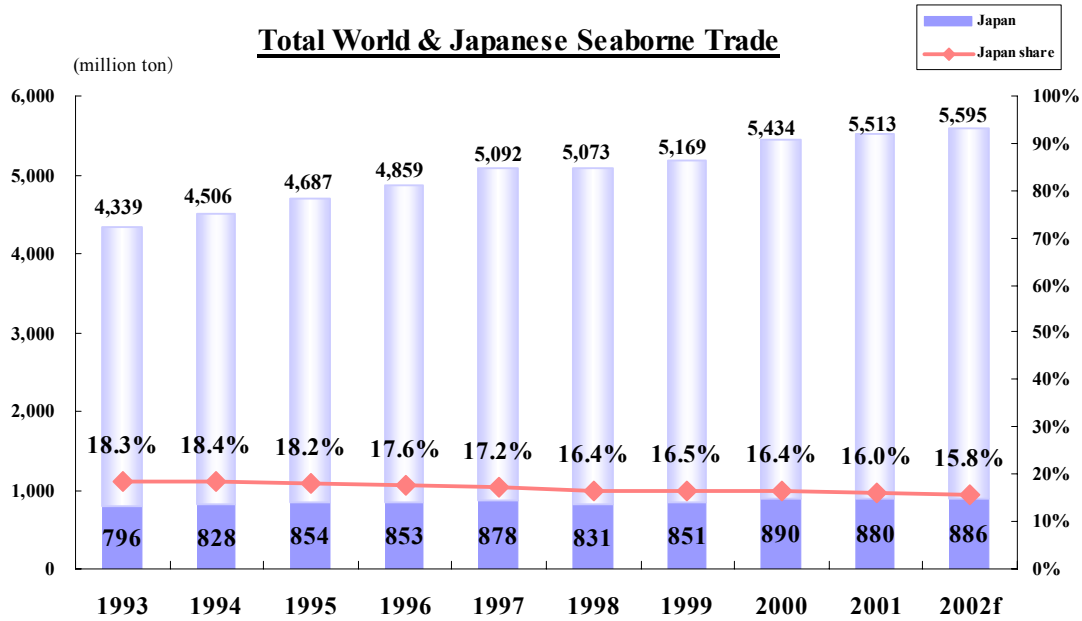


World Car Shipping



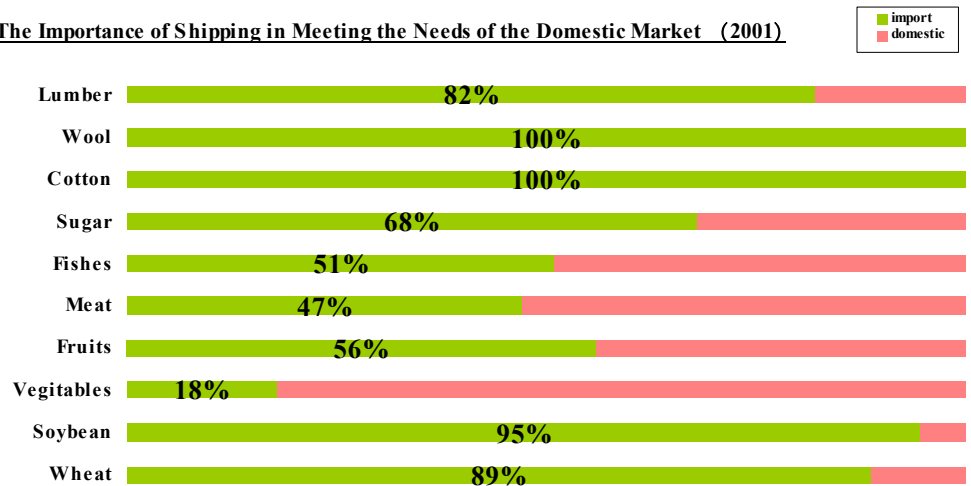


4. Seaborne Trade - Japan -



Source: Ministry of Land, Infrastructure & Transport "Kaiji Report H.15" etc.

The Importance of Shipping in Meeting the Needs of the Domestic Market (2001)

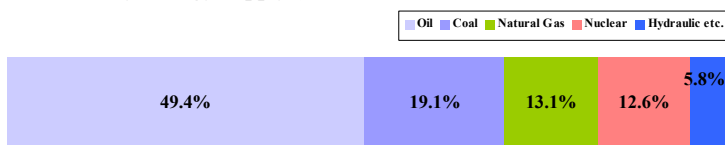


Source: JSA "Shipping Now 2003"

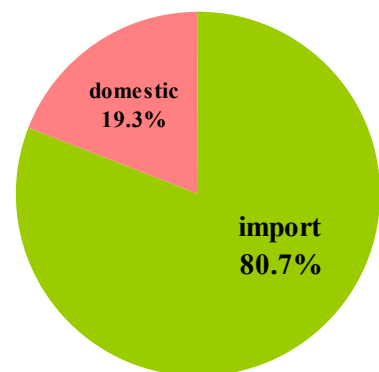
The importance of shipping in meeting the energy demands of Japan

Source: JSA "Shipping Now 2003"

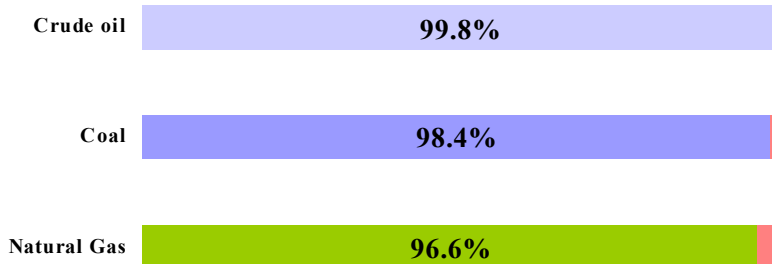
Primary Energy Supply (2001)



Dependence on Import of Primary Energy (2001)

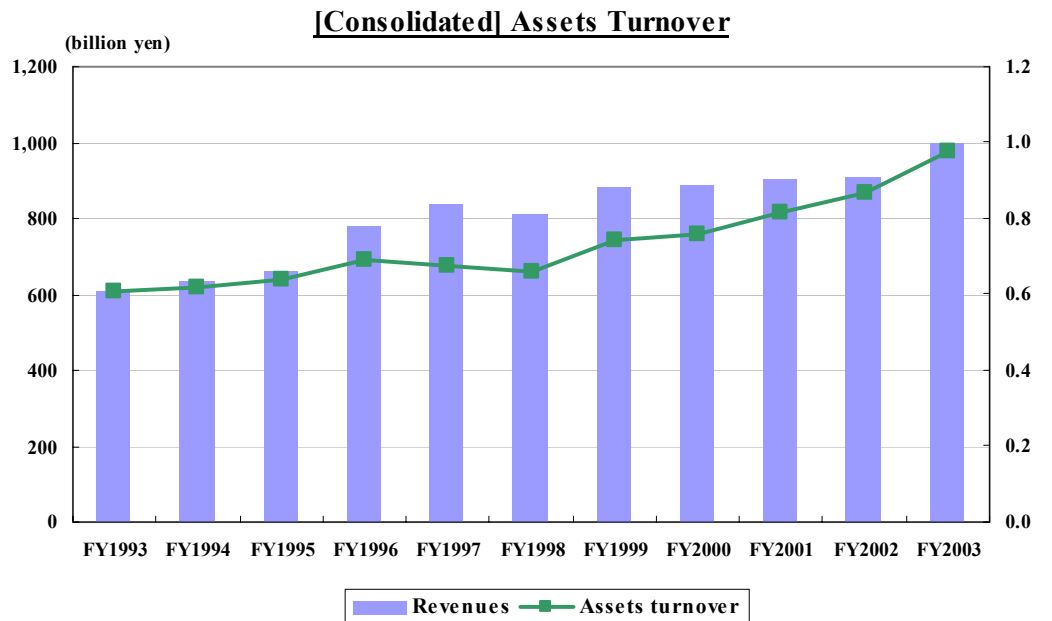
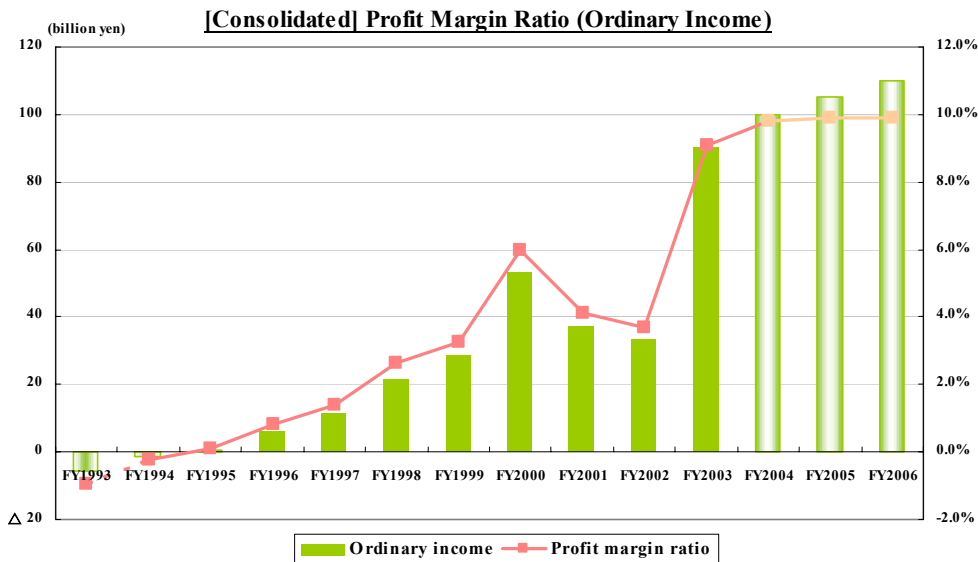
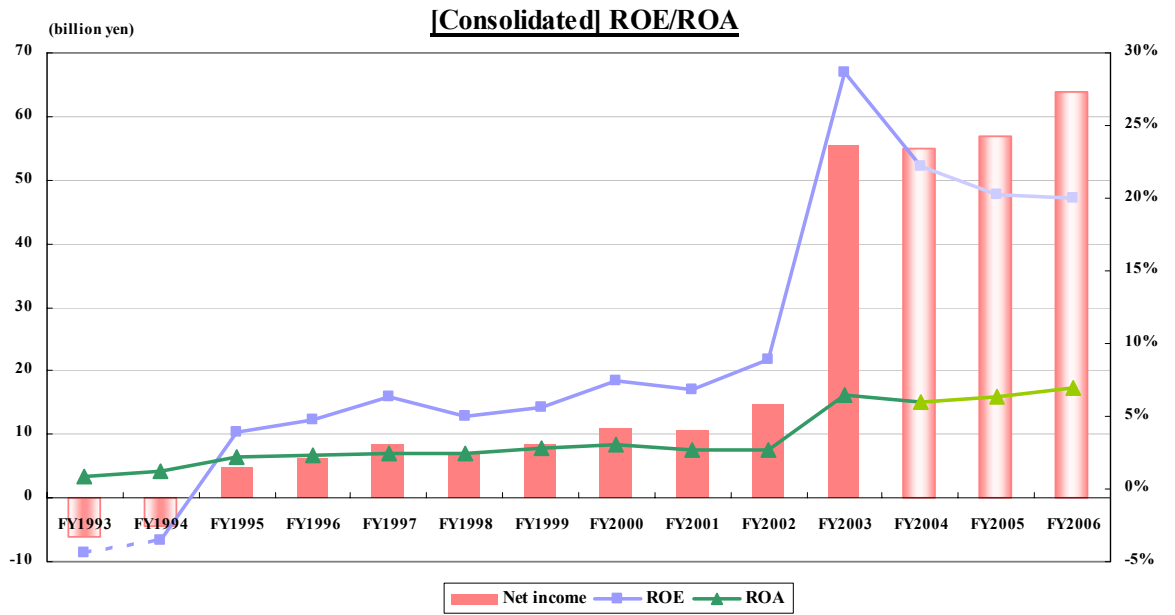


Dependence on Import of Major Energy Source (2002)

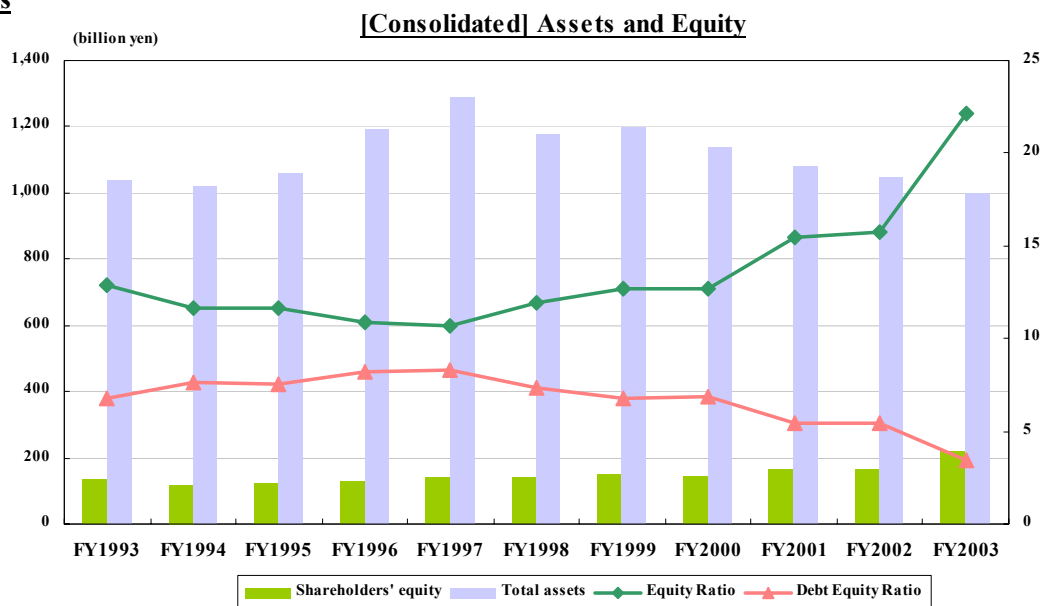


5. Financial Data

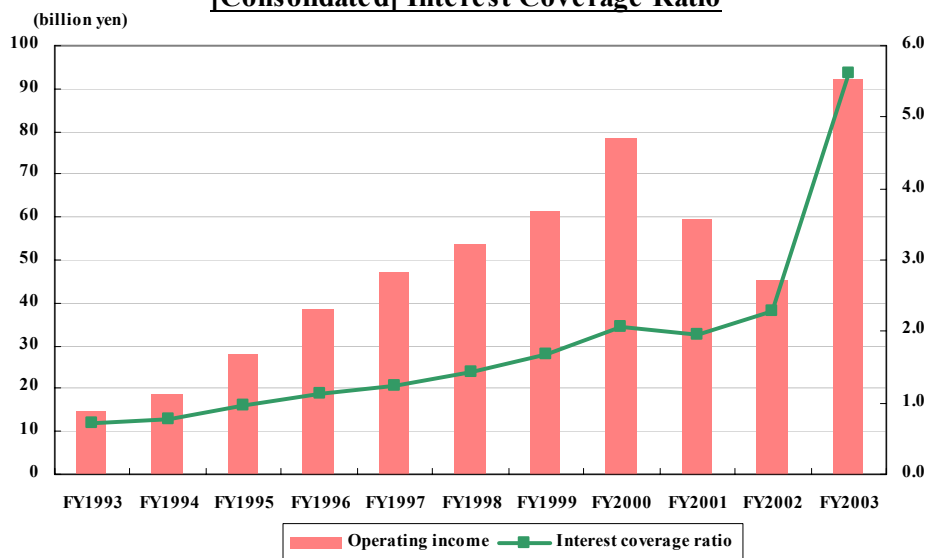
① Profitability Indexes



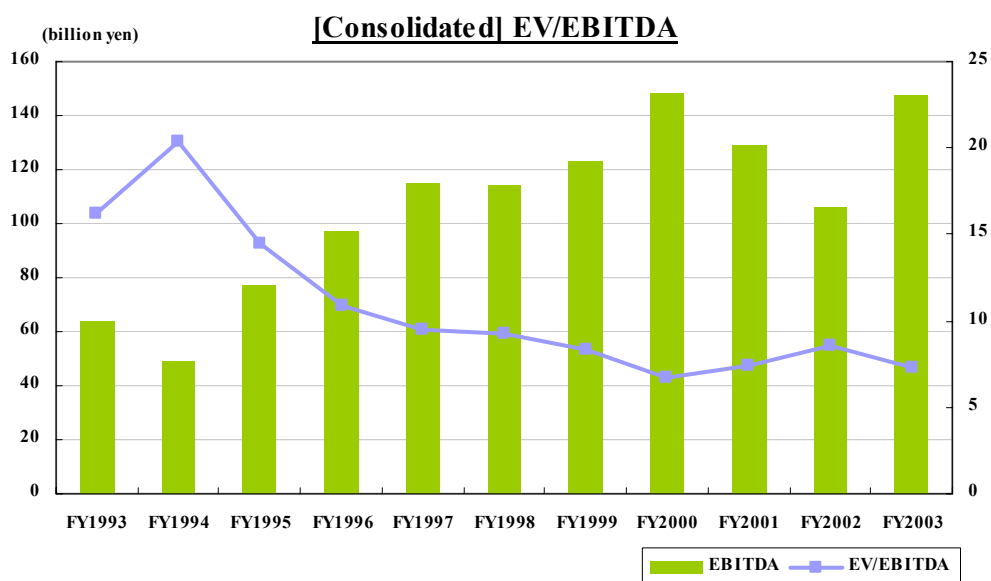
② Stability Indexes



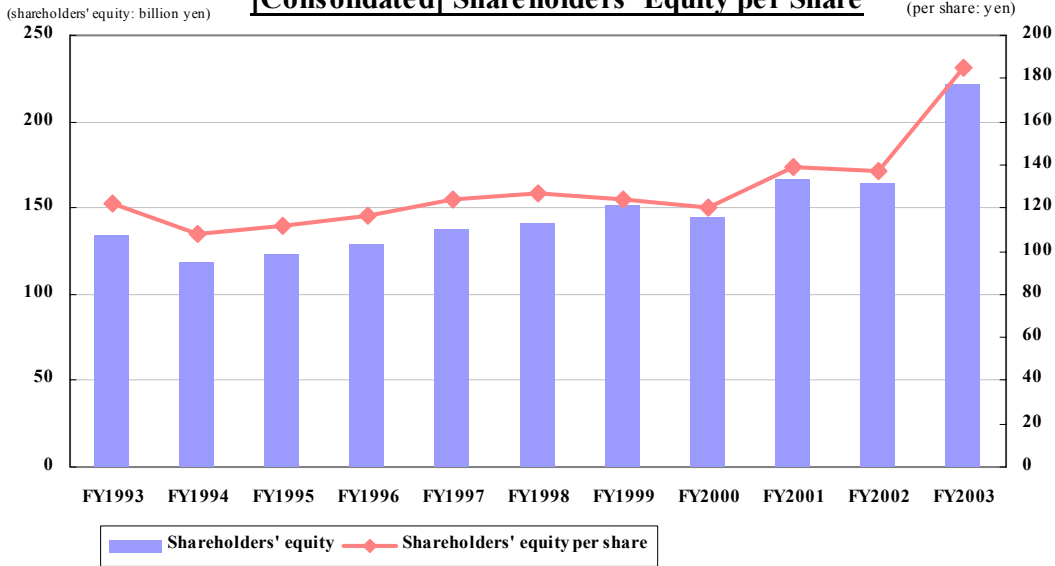
[Consolidated] Interest Coverage Ratio



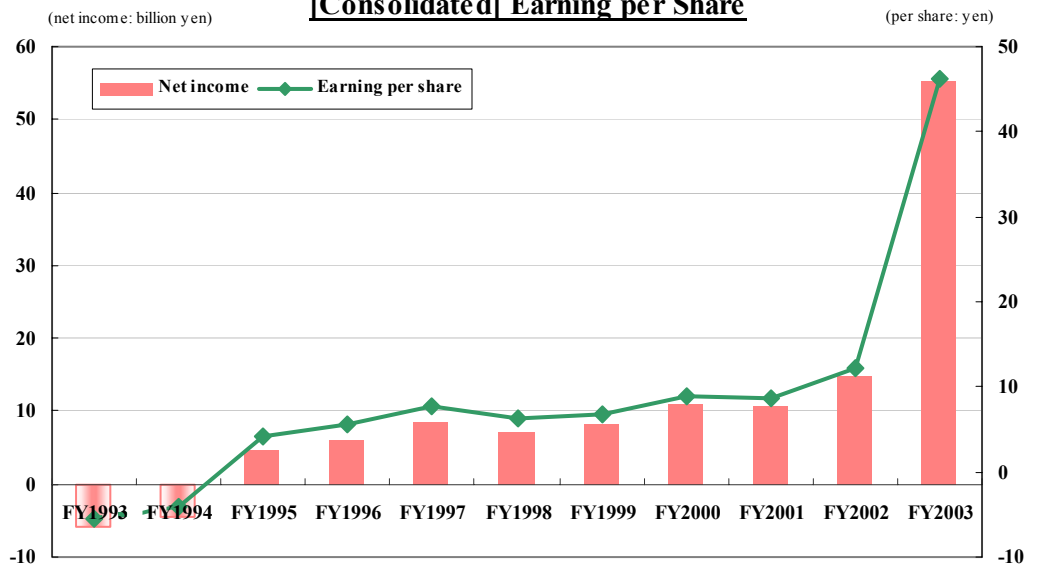
③ Growth / Share Price Indexes



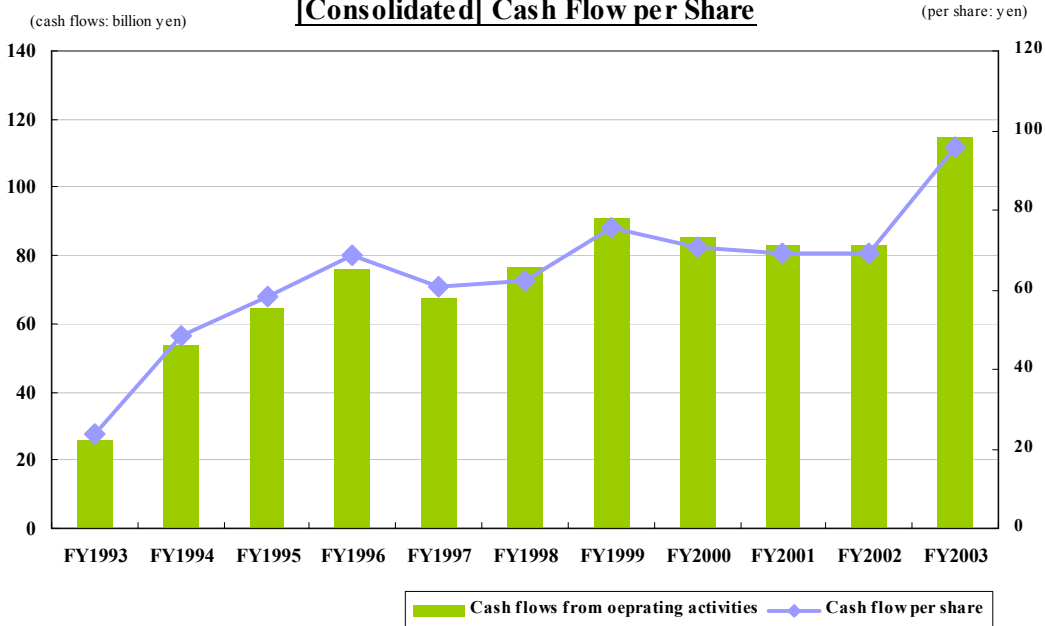
[Consolidated] Shareholders' Equity per Share



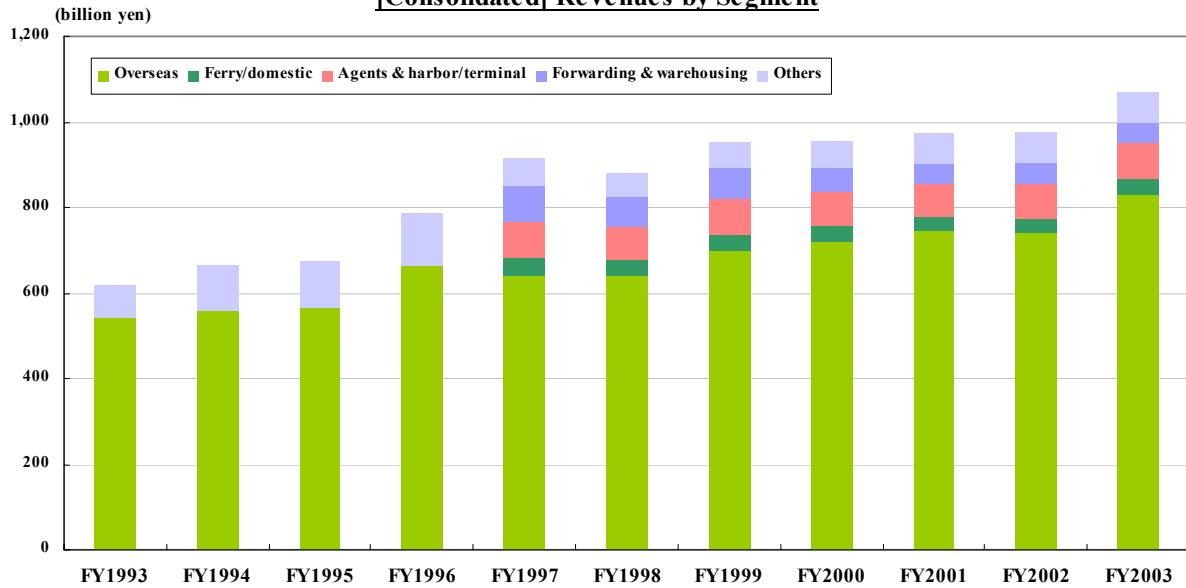
[Consolidated] Earning per Share



[Consolidated] Cash Flow per Share

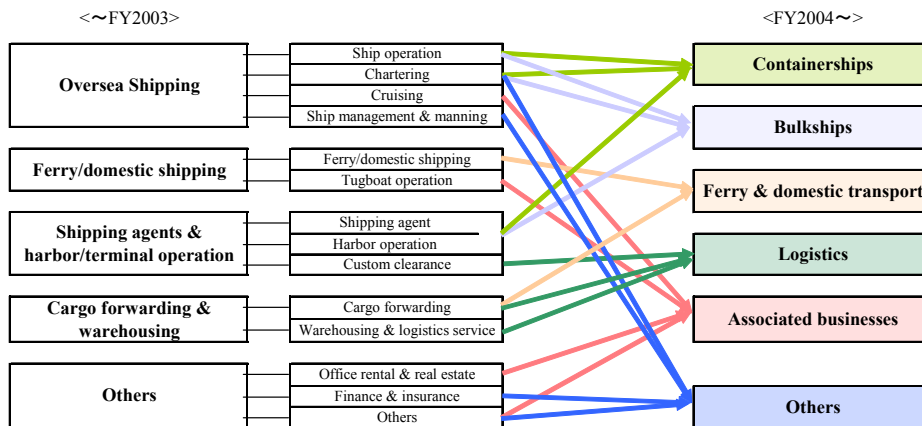


[Consolidated] Revenues by Segment

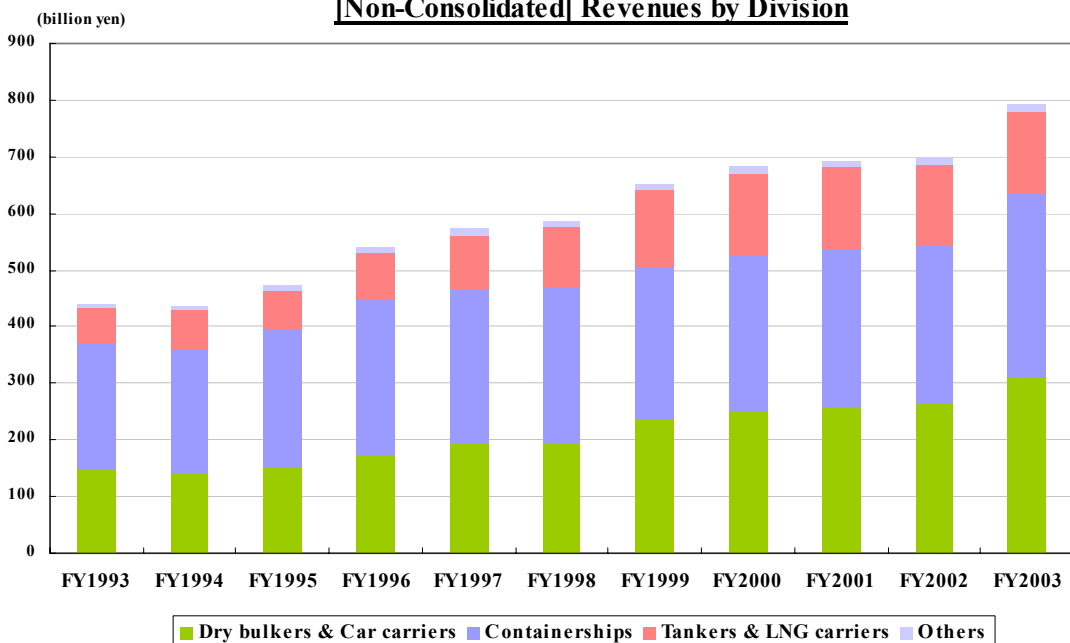


*From FY1997 onward, "Overseas shipping" (green) have been separated into 4 segments other than "Others" (light blue).

**The company has changed the segmentation in FY2004. An approximate comparison of former and new segments is as follows. (There are exceptions and all segments are not compared, since they are partially classified by different policies.) [→ P.3]



[Non-Consolidated] Revenues by Division



[Consolidated] Financial Statements

	(million yen)										
	'94.3.31 FY1993	'95.3.31 FY1994	'96.3.31 FY1995	'97.3.31 FY1996	'98.3.31 FY1997	'99.3.31 FY1998*1	'00.3.31 FY1999	'01.3.31 FY2000	'02.3.31 FY2001	'03.3.31 FY2002	'04.3.31 FY2003
Shipping and other operating revenues	608,640	635,284	662,046	777,896	834,879	809,160	881,807	887,866	903,943	910,288	997,260
Shipping and other operating expenses (Depreciation and amortization)	525,125 (29,212)	542,189 (30,245)	559,452 (49,057)	664,016 (58,275)	713,006 (67,842)	683,041 (60,387)	746,047 (61,862)	732,511 (69,826)	761,507 (68,826)	787,540 (60,710)	824,902 (55,334)
General and administrative expenses *2 (amortization of consolidation difference)	68,806 (387)	74,339 (208)	74,421 (143)	75,353 (59)	74,707 (513)	72,581 (563)	74,439 (582)	77,115 (663)	82,663 (588)	77,391 (446)	80,231 (535)
Operating income	14,708	18,755	28,172	38,526	47,164	53,536	61,320	78,239	59,772	45,356	92,126
Non-operating income *3	13,594	17,363	8,706	8,628	11,182	14,900	15,051	19,218	12,580	11,718	17,540
Interests and dividends	(5,193)	(5,647)	(4,672)	(4,252)	(5,481)	(4,014)	(4,439)	(3,550)	(3,372)	(2,840)	(2,995)
Profits on sale of securities	(4,128)	(8,458)	(1,351)	(206)	(3,211)	(1,669)	(4,481)	(6,309)	(49)	(0)	(0)
Equity in earnings of affiliated companies	(2,081)	(4,504)	(4,023)	(5,024)	(3,473)	(4,126)	(1,403)	(3,680)	(4,426)	(3,387)	(6,612)
Others	(4,269)	(3,256)	(2,681)	(4,167)	(2,488)	(5,089)	(4,727)	(5,677)	(4,731)	(5,490)	(7,932)
Non-operating expenses	34,040	37,660	36,099	40,723	46,822	46,956	47,736	44,436	34,971	23,669	19,111
Interests	(27,781)	(31,636)	(33,838)	(37,842)	(42,519)	(40,070)	(39,085)	(39,465)	(32,104)	(21,103)	(16,930)
Losses on sale of securities	(160)	(1,202)	(181)	(132)	(345)	(2,379)	(1,227)	(28)	(25)	(0)	(0)
Others	(6,098)	(4,820)	(2,078)	(2,747)	(3,958)	(4,506)	(7,422)	(4,942)	(2,840)	(2,566)	(2,180)
Ordinary income	△ 5,737	△ 1,541	779	6,431	11,524	21,480	28,635	53,020	37,381	33,404	90,556
Special profits	6,205	2,678	10,008	7,267	17,629	10,665	14,879	27,605	7,178	6,330	12,097
Special losses	7,563	8,282	8,300	9,712	14,374	16,808	28,199	59,765	19,709	14,621	12,878
Income before income tax	△ 7,095	△ 7,144	2,487	3,987	14,779	15,337	15,314	20,860	24,850	25,114	89,775
Corporate income tax, residents tax and enterprise tax *4	767	1,684	2,065	3,048	8,059	8,362	6,427	19,472	6,100	10,871	35,346
Corporate income tax adjustment	-	-	-	-	-	-	(529)	△ 7,708	6,632	△ 1,434	△ 2,151
Profit/loss(△) on minority interest	188	109	384	169	△ 1,257	34	33	△ 1,846	1,572	967	1,190
Net income	△ 5,979	△ 4,423	4,686	6,072	8,422	7,009	8,324	10,943	10,544	14,709	55,390
EBITDA *5	43,920	49,000	77,229	96,801	115,006	113,923	123,182	148,065	128,598	106,066	147,460
EV/EBITDA	24.31	20.43	14.51	10.93	9.51	9.20	8.30	6.54	7.54	8.53	7.34
Interest Coverage Ratio	0.7	0.8	1.0	1.1	1.2	1.4	1.7	2.1	2.0	2.3	5.6
ROE *6	-4.3%	-3.5%	3.9%	4.8%	6.3%	5.0%	5.6%	7.4%	6.8%	8.9%	28.7%
ROA *7	0.9%	1.2%	2.2%	2.3%	2.5%	2.4%	2.7%	3.0%	2.7%	2.6%	6.4%
Profit margin ratio (ordinary income)	-0.9%	-0.2%	0.1%	0.8%	1.4%	2.7%	3.2%	6.0%	4.1%	3.7%	9.1%
Return on assets (ordinary income)	-0.6%	-0.1%	0.1%	0.6%	0.9%	1.8%	2.3%	4.5%	3.4%	3.1%	8.8%
Assets turnover	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.9	1.0
Total assets	1,037,584	1,020,291	1,058,325	1,190,871	1,286,576	1,174,640	1,196,474	1,140,400	1,079,089	1,046,611	1,000,205
Current assets	247,964	233,101	211,360	250,147	276,089	230,994	239,858	255,774	251,387	289,644	299,544
Tangible fixed assets	514,081	553,975	613,671	718,193	818,579	753,347	756,624	691,306	619,645	569,234	477,620
Others	275,539	233,215	233,294	222,531	191,908	190,299	199,992	193,320	208,057	187,733	223,041
Total liabilities	903,587	901,736	934,811	1,061,695	1,148,884	1,027,367	1,036,561	988,685	908,624	874,130	771,503
(Interest-bearing debt)	763,364	748,549	782,100	897,786	943,078	857,121	833,625	744,612	667,719	612,646	491,693
Current liabilities	335,353	286,303	279,443	301,268	350,132	337,416	412,717	399,995	375,032	423,837	398,090
Long-term debt	545,167	591,484	632,777	735,100	772,427	670,362	598,998	540,158	475,694	395,588	311,019
Others	23,067	23,949	22,591	25,327	26,325	19,589	24,846	48,532	57,898	54,705	62,394
Shareholders' equity	133,997	118,555	123,514	129,175	137,691	140,489	151,992	144,355	166,970	164,789	221,534
Consolidated surplus at the end of the year	25,659	10,163	14,609	20,269	28,577	37,899	43,198	43,433	47,817	56,468	101,990
Gearing Ratio *8	570%	631%	633%	695%	685%	610%	548%	516%	400%	372%	222%
Debt Equity Ratio	6.7	7.6	7.6	8.2	8.3	7.3	6.8	6.8	5.4	5.3	3.5
Equity Ratio	12.9%	11.6%	11.7%	10.8%	10.7%	12.0%	12.7%	12.7%	15.5%	15.7%	22.1%
Free cash flows [(a) - (b)]	△ 28,885	△ 3,719	△ 61,565	△ 40,354	△ 76,187	1,825	14,598	22,321	41,274	33,382	64,044
Cash flows from operating activities (a) *9	23,233	25,822	53,743	64,347	76,264	67,396	76,577	91,019	85,015	82,875	114,592
Capital expenditure (b)	47,789	29,541	115,308	104,701	152,451	65,571	61,979	68,698	43,741	49,493	50,548
Earning per share	△ 5.50	△ 4.03	4.27	5.49	7.61	6.33	6.77	9.01	8.76	12.16	46.14
Shareholders' equity per share	122.18	108.08	111.58	116.69	124.28	126.81	123.63	119.88	138.78	137.44	185.06
Dividend per share (non-consolidated)	-	-	-	-	4	4	4	5	5	5	11
Cash flow per share	21.2	23.5	48.5	58.1	68.8	60.8	62.3	75.6	70.7	69.2	95.8
Number of shares issued and outstanding at the end of the year *10	1,096,702,361	1,096,931,233	1,106,997,254	1,107,006,056	1,107,917,146	1,107,917,146	1,229,410,445	1,205,410,445	1,203,344,220	1,200,874,262	1,198,917,280

* 1: FY1999 to present: total figure of MOL and ex-Navix

* 2: Prior to FY1998: "General and administrative expenses" excluding "Amortization of consolidation difference"

* 3: Prior to FY1998: "Non-operating income" excluding "Equity in earnings of affiliated companies"

* 4: Prior to FY1998: "Corporate income tax, residents tax and enterprise tax" excluding "enterprise tax"

* 5: EBITDA = "Operating income" + "Depreciation and amortization"

* 6: ROE = Net income/Average shareholders' equity of at the beginning and the end of the fiscal year

* 7: ROA = [Net income + Interest payable X (1- Corporate income tax rate)] / Average total assets of at the beginning and the end of the fiscal year

* 8: Gearing Ratio = Interest-bearing debt / Shareholders' equity

* 9: Prior to FY1999: "Cash flows from operating activities" = "Net income" + "Depreciation and amortization"

* 10: Prior to FY2001: "Number of shares issued and outstanding at the end of the year" excluding "Treasury shares"

[Consolidated] Segment Information

(million yen)

	'94.3.31 FY1993	'95.3.31 FY1994	'96.3.31 FY1995	'97.3.31 FY1996	'98.3.31 FY1997	'99.3.31 FY1998	'00.3.31 FY1999	'01.3.31 FY2000	'02.3.31 FY2001	'03.3.31 FY2002	'04.3.31 FY2003
Revenues											
Overseas shipping	542,326	560,410	565,365	663,668	641,769	639,118	698,685	720,858	744,783	742,971	830,207
Ferry/domestic shipping					41,705	38,355	38,193	36,788	32,714	33,455	35,435
Shipping agents & harbor/terminal operation					84,583	78,133	85,869	80,375	79,285	78,854	84,690
Cargo forwarding & warehousing					80,464	70,492	69,959	52,846	45,158	48,379	46,981
Others	78,526	106,096	108,545	124,531	63,614	52,736	58,470	63,542	69,374	74,820	72,120
Total	620,853	666,506	673,910	788,199	912,137	878,836	951,179	954,411	971,317	978,481	1,069,435
Elimination	(12,212)	(31,222)	(11,864)	(10,303)	(77,258)	(69,675)	(69,371)	(66,544)	(67,373)	(68,193)	(72,174)
Consolidated	608,640	635,284	662,046	777,896	834,879	809,160	881,807	887,866	903,943	910,288	997,260
Operating Income											
Overseas shipping	15,439	18,988	27,024	35,785	41,811	51,170	58,077	74,018	58,673	37,457	83,085
Ferry/domestic shipping					(1,181)	160	441	(61)	(1,001)	648	1,256
Shipping agents & harbor/terminal operation					1,664	1,618	1,923	3,321	1,205	2,305	5,352
Cargo forwarding & warehousing					1,096	(15)	680	646	(336)	(53)	222
Others	1,300	2,990	3,787	4,578	6,078	4,572	2,859	2,910	2,614	3,978	2,890
Total	16,739	21,979	30,812	40,364	49,470	57,507	63,982	80,835	61,154	44,335	92,806
Elimination	(985)	(1,819)	(2,640)	(1,837)	(2,305)	(3,970)	(2,661)	(2,596)	(1,381)	1,021	(679)
Consolidated	15,754	20,160	28,172	38,526	47,164	53,536	61,320	78,239	59,772	45,356	92,126

[Non-Consolidated] Financial Statements

(million yen)

	'94.3.31 FY1993	'95.3.31 FY1994	'96.3.31 FY1995	'97.3.31 FY1996	'98.3.31 FY1997	'99.3.31 FY1998	'00.3.31 FY1999	'01.3.31 FY2000	'02.3.31 FY2001	'03.3.31 FY2002	'04.3.31 FY2003
Operating revenues	440,851	438,656	473,907	539,460	571,735	585,514	651,936	683,167	693,854	698,831	791,776
Containerships	219,840	219,575	240,720	268,873	274,602	277,009	268,048	272,428	278,747	278,043	323,336
Dry bulkers & Car carriers	148,510	141,091	152,776	176,366	192,719	193,720	237,040	253,335	259,017	266,772	310,085
Tankers & LNG carriers	63,971	68,671	70,075	84,509	93,634	104,829	135,539	145,582	144,548	141,850	146,881
Others	5,048	5,990	7,800	7,337	6,829	6,250	7,826	8,341	8,342	9,142	8,512
Other Operation	3,480	3,327	2,534	2,374	3,949	3,704	3,481	3,479	3,197	3,023	2,960
Operating income	3,706	2,922	9,411	10,873	15,874	26,606	34,044	52,096	36,206	28,607	74,309
Ordinary income	1,637	3,876	5,330	8,021	13,417	18,150	29,153	51,336	31,192	27,990	79,225
Net income	△ 2,510	△ 572	△ 494	2,229	5,033	9,139	8,701	14,282	6,577	8,348	40,601
Total assets	523,973	482,246	460,514	495,548	541,394	531,537	572,183	542,886	541,977	559,120	602,864
Total liabilities	399,807	358,601	336,849	369,651	410,256	395,691	427,034	393,776	383,944	402,372	403,224
Shareholders' equity	124,165	123,644	123,665	125,896	131,137	135,845	145,149	149,110	158,033	156,747	199,639
Dividend per share	-	-	-	-	4	4	4	5	5	5	11
Dividend payout ratio	-	-	-	-	88.0%	48.5%	56.5%	42.2%	91.5%	72.5%	32.6%

Corporate Governance

Reference: <http://www.mol.co.jp/governance-e.shtml>

MOL implemented a corporate governance program in June 2000 for the purpose of creating a governance system capable of maximizing corporate value. The most significant changes were the addition of outside directors and the establishment of the executive officer post. With this program, MOL made its management systems more transparent and separated the roles of directors and executive officers.

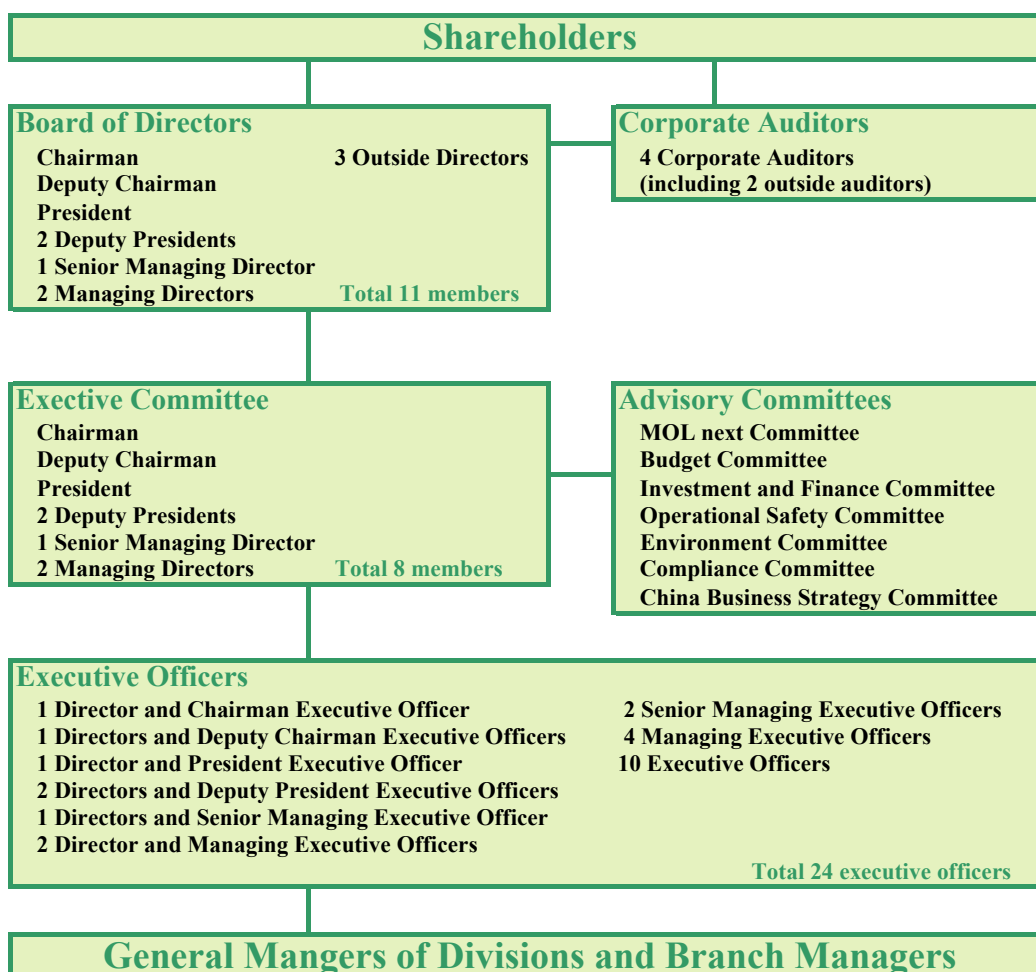
In June 2002, the second stage of this process took place with the decision to alter the functions and authority of the Board of Directors and make changes in how MOL's business operations are managed. The objectives in this case are to establish a purpose-oriented decision-making system and structure management for the most effective implementation of strategies. More specifically, there are four goals of this latest change in MOL's management.

1. Bolster the role of the Board of Directors, which determines fundamental management strategies.
2. Transfer considerably more authority from the Board of Directors to the Executive Committee, which is responsible for the execution of business and management of the company.
3. Increase decision-making authority and speed implementation of business plans by executive officers, who are responsible for specific business areas.
4. Strengthen the executive officer reporting system to better enable the Board of Directors to monitor how business operations are being managed.

These measures are aimed at making management more efficient while enhancing all corporate governance functions. MOL believes that these changes will lead directly to growth in the company's corporate value for shareholders.

[MOL Board Structure]

(from the end of June 2004)



Compliance

Reference: <http://www.mol.co.jp/compliance-e.shtml>

Mitsui O.S.K. Lines, Ltd. (MOL) has established codes of conduct that MOL directors and employees must conform to, in consideration of various stakeholders' viewpoints. By ensuring compliance with the codes of conduct, MOL will continuously increase corporate value, create an improved working environment, and win the sympathy of various stakeholders surrounding the company.

[Code of Conduct]

All company personnel must act within the following Code of Conduct when carrying out their work duties. Company personnel shall, at all times:

1. Observe the laws of Japan and all other nations
2. Respect human rights and prohibit discrimination and harassment
3. Observe confidentiality of information and respect intellectual property rights
4. Draw a clear line between official and personal conduct, and avoid conflicts of interest
5. Avoid antisocial activities
6. Fulfill social responsibility
7. Ensure safe operation and environmental protection
8. Build trusting relationships with clients and contractors
9. Demand the same of affiliates, subsidiaries, and entrusted companies which dispatch employees.
10. Report any breach of compliance to the Compliance Officer, Compliance Committee Secretariat, or Compliance Advisory Service Desk, who shall guarantee the reporter that he or she shall not be treated unfavorably.

Safe Operation / Environment / CSR (Corporate Social Responsibility)

Reference: <http://www.mol.co.jp/environment.shtml>

Mitsui O.S.K. Lines Group Environmental Policy Statement

As one of the world's leading multi-modal transport groups, Mitsui O.S.K. Lines group is committed to protecting the health of our marine/global environment and therefore promotes and supports policies that:

1. Protect all aspects of the marine/global environment and foster safe navigation;
2. Comply with all environmental legislation and regulations that we are required to by law, and all relevant standards and other requirements that we subscribe to. And, whenever possible, further reduce the burden on the environment by setting and achieving even tougher voluntary standards;
3. Periodically review and revise our environmental protection measures on the basis of our framework for setting and reviewing environmental objectives and targets;
4. Conserve energy and materials through recycling and waste reduction programs;
5. Purchase and use environmentally safe goods and materials
6. Promote the development and use of environmentally safe technology
7. Educate and encourage group employees to increase their focus on protection of the environment through enhanced publicity efforts, and communicate our Environmental Policy to group employees;
8. Publish our Environmental Policy Statement and disclose our environmental information on a regular basis;
9. Always strive to ensure that our business activities contribute to and adequately support worthy environmental protection activities.

Evaluation by the Third Parties on Environment/CSR

- March 2003: Certified under ISO 14001, an international standard for environmental management.
 Scope: All divisions at the head office and MOL operated vessels
 Service range: Site activities and head office activities associated with multi-modal logistics/ocean services.
- September 2003: Listed on the Dow Jones Sustainability Indexes (DJSI), in recognition of our long-term approach to environmental protection, societal contributions, and investor relations (IR) activities as a corporation positioned for sustainable growth.
- September 2003: Listed on the FTSE 4 Good Global Index, which is published by FTSE, a global index company that is a joint venture between the Financial Times and the London Stock Exchange.



Certificate of ISO 14001, an international standard for environmental management (certified by DNV=DET NORSKE VERITAS)

Credit Ratings (FY2003)

JCR	A
R&I	A-
Moody's	Ba1
Standard & Poors	BB+
Short-term Ratings	
	a-1
Outlook	
	stable

Share Prices 1993-2003



