Mitsui O.S.K. Lines

Annual Report 2002

Year ended March 31, 2002

A solid performance in a difficult market. **Why?**

More progress ahead. **How?**

CONTENTS

On the Cover: The Mercury Ace, one of the 77 car carriers in MOL's fleet. This medium-sized vessel, which accommodates 4,700 vehicles, has the flexibility to operate on many routes.

TO OUR SHAREHOLDERS


Chairman Masaharu Ikuta *(right) and President* Kunio Suzuki

Transformation is firmly positioned as the dominant theme at MOL. A series of management plans that began in September 1994 has aligned the company for consistent growth and profitability. We also enhanced corporate governance to increase shareholders' value. MOL is currently pursuing the goals of a plan called *MOL next* ('next' stands for "new expansion target").

To maximize our growth potential, we are focusing on two strategic market sectors: liners and energy. Both present the greatest opportunities to leverage our strengths and target rising demand. We are determined to have growth accompanied by higher earnings. We are also firmly committed to fulfilling our obligations as a global citizen with regard to the environment, safety and other issues.

Shipping is often mistakenly viewed as a slow-growth, low-profit business. MOL has proven this wrong. In the past decade, our revenues have increased from ¥673 billion to ¥904 billion. Operating income has more than doubled from ¥23 billion to ¥60 billion, including seven consecutive years of growth through fiscal 2000, when we reached a record-high ¥78 billion. Even amid a difficult shipping market, last year's operating income was the third highest in our history. For a number of years, we have been conducting a comprehensive restructuring of the MOL Group to improve consolidated performance. This process was almost completed in the past fiscal year with more restructuring measures that included the formation of a joint venture and other alliances with competitors to return ferry and cruise operations to profitability.

The outlook remains positive. Global demand for shipping services will continue to expand. At MOL, new investments and contracts, mainly in the energy field, are expected to add highly reliable sources of revenues and earnings within the next few years.

In the past fiscal year, our balanced business portfolio and lean cost structure cushioned the impact of an extremely difficult market. We will continue to draw on these strengths to accomplish the goals of *MOL next* and even more ambitious plans in the following years.

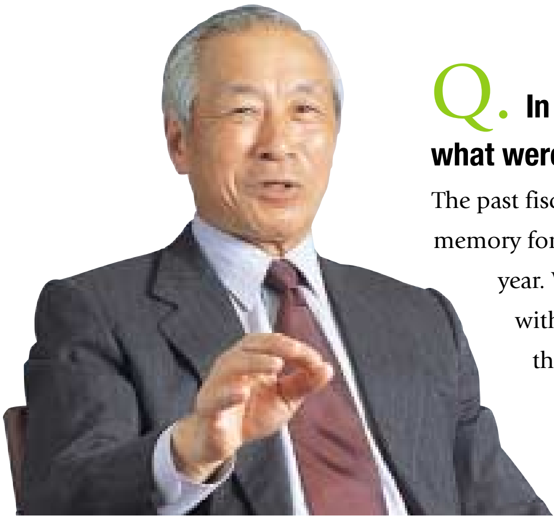
June 25, 2002

Masaharu Ikuta
Chairman

Kunio Suzuki
President

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 and 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.**



Kunio Suzuki, *President*

Q. In the past fiscal year, a year that marked the beginning of *MOL next*, what were the most significant aspects of operating results?

The past fiscal year, which ended on March 31, 2002, was one of the most difficult in recent memory for MOL and the global shipping industry, particularly in the latter half of the fiscal year. While we benefited from the stronger dollar and cheaper bunker prices compared with the previous fiscal year, the slowdown in the U.S. economic recovery, followed by the terrorist attacks in the U.S., caused a rapid deterioration in freight rates in the liner business. Thanks to our continued efforts to streamline operations and reduce our costs, we overcame the year's challenges and remained profitable.

Overall, revenues were up 1.8% and operating income was down 23.6%. However, operating income was still the third highest in the company's history. Significantly, we were able to generate this level of earnings even amid a container transportation market that forced some of the world's liner operators into the red. Our resilience was made possible mostly by three factors: the restructuring of MOL, and the entire group, that we began in 1994; far-reaching and continuous cost-cutting initiatives; and investments in energy and other shipping sectors to avoid over reliance on any single market sector.

In liners, we encountered some unexpected challenges that held back our performance. Weakness in the U.S. economy and the terrorists attacks prevented growth in container volumes in 2001. Based on market conditions at the start of the fiscal year, we had initially forecast an increase of 6% or 7%. At the same time, year-on-year growth in global container capacity rose by about 10% in 2001. Naturally, rates fell sharply. Nevertheless, we performed better than most of our competitors. This is testimony to the enormous strides made in cutting costs while preserving and upgrading customer service. Our membership in The New World Alliance (TNWA) was another key, allowing us to quickly respond to industry overcapacity. MOL, with TNWA partners APL and Hyundai Merchant Marine, temporarily reduced service on both the European and Pacific trades in the second half of the fiscal year. In fact, service reductions by containership operators took place industry-wide. Most significantly, as market conditions deteriorated, we were able to enhance our stature among shippers as a trusted and financially sound source of container logistics services.

CONSOLIDATED FINANCIAL HIGHLIGHTS

For the years ended March 31	Millions of yen 2002	Millions of yen 2001	Millions of yen 2000	Millions of U.S. dollars (Note) 2002
For the year:				
Shipping and other revenues	¥ 903,943	¥ 887,867	¥ 881,807	$6,784
Operating income	59,773	78,239	61,320	449
Net income	10,545	10,943	8,325	79
At year-end:				
Vessels, property and equipment, at cost	¥ 619,645	¥ 691,307	¥ 756,623	$4,650
Long-term debt due after one year	475,696	540,159	598,999	3,570
Shareholders' equity	166,970	144,355	151,992	1,253
Total assets	1,079,090	1,140,400	1,196,474	8,098
Amounts per share of common stock (yen and U.S. dollars):				
Net income	¥ 8.76	¥ 9.01	¥ 6.77	$0.066
Diluted net income	–	–	–	–
Cash dividends	5.00	5.00	4.00	0.038

	2002 Consolidated (Non-consolidated)	2001 Consolidated (Non-consolidated)	2000 Consolidated (Non-consolidated)
Total operating fleet:			
Number of vessels	578 (467)	604 (487)	621 (493)
Owned	209 (42)	220 (41)	269 (43)
Chartered	369 (425)	384 (446)	352 (450)
Deadweight tons (millions)	34.08 (32.34)	36.40 (33.14)	35.44 (33.18)

Note: U.S. dollar figures reflect an exchange rate of ¥133.25=$1, the prevailing rate as of March 31, 2002.

Excluding containerships, earnings from most of our cargo shipping operations were higher than in the previous fiscal year and exceeded our *MOL next* target. In the strategic energy sector, VLCC and other tanker operations were on target, and LNG carrier results were slightly above our target. Most notable was the large number of new long-term contracts we signed for the operation of LNG carriers commencing in fiscal 2003 and thereafter. In car carriers, revenues and earnings both surpassed our targets for the year. In dry bulk, earnings for the full fiscal year declined only slightly amid adverse market conditions in the latter half of the year.

Q. What specific actions are being taken to deal with the challenging containership market?

Looking at the industry as a whole, the introduction of new and larger vessels by many global shipping companies is expected to further increase total capacity by about 15% over the next two years in major trades. During the same period, similar growth is foreseen in the volume of container shipments, indicating that a significant improvement in the oversupply situation is unlikely in the near future. That means the liner market may be even more challenging in fiscal 2002. In particular, average rates on routes to North America, which are revised only once early each year, may drop by about 10%.

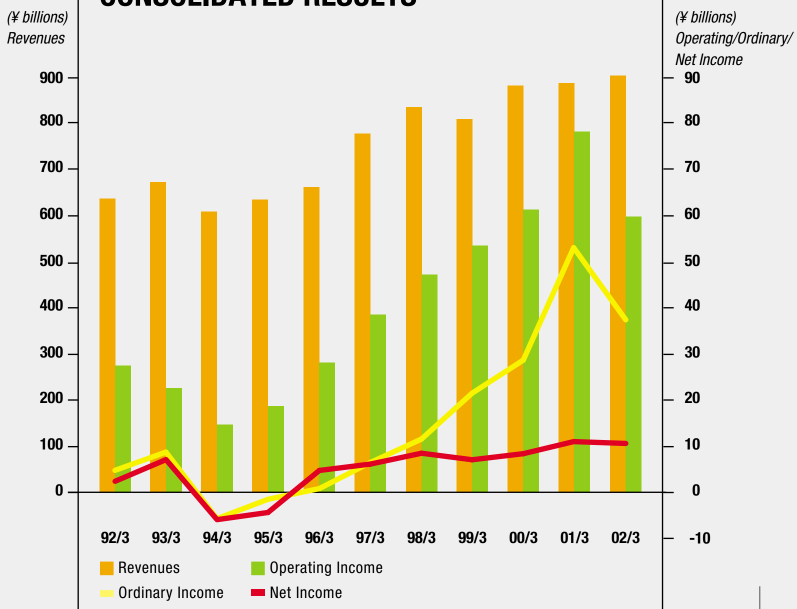
Currently, almost all liner operators in the world are reporting significant losses. Everyone is working harder at avoiding self-destructive competition. One indication of this sentiment is a recent rebound in rates on European trades. Overall, the fact that market conditions have never been worse means that a significant rebound is probably imminent. And over the long term, we are confident that demand for ocean container transportation will climb steadily as the global economy expands.

Regarding cost, we have been targeting every aspect of liner operations to eliminate needless expenses wherever possible. Our ongoing introduction of larger, more efficient containerships and Starnet, a newly established core information management system, will yield still more savings. This will further enhance MOL's relatively high cost-competitiveness in the industry and our ability to withstand the challenges of current market conditions. We believe that we can further heighten our presence in the container market even if there are significant changes, such as larger-scale mergers and strategic realignments of alliance partners, in the near future.

CREDIT RATINGS

	2002	2001	2000
JCR	A–	A–	A–
R&I (Short-term ratings)	A– (a–1)	A–	A–
Moody's (Outlook)	Ba1 (stable)	Ba1 (positive)	Ba1 (negative) –> stable (in October 1999) (stable) –> positive (in March 2000)
S&P	BB+pi	BB+pi (In November 2000, rating was modified with "+" sign)	BBpi (pi: public information)

CONSOLIDATED RESULTS



Q. Where was progress made in terms of meeting the expansion targets of *MOL next*?

Under the guidelines of *MOL next*, we are placing priority on two areas: liners and energy. At the core of our plans for liners is the addition of 16 containerships between 2001 and 2003. Our liner fleet capacity will grow by about 40%. These large, fast and efficient vessels will enable us to offer better services and begin operating new routes, playing a critical role in our drive to recapture market share and reinforce our position as one of the world's major liner companies.

In the energy sector, we are on target and gaining momentum. During the past fiscal year, one VLCC, one LNG carrier, two product tankers and three coal carriers joined our fleet. And, we signed contracts covering eight LNG carriers; our goal for all of *MOL next* was ten. This makes it highly likely that we will surpass this goal. Operating income from existing LNG and methanol carriers alone is forecast to more than double three years from now at current exchange rates. By the fiscal year ending in March 2006, LNG will be firmly positioned alongside the bulker and car carrier sector and tankers as our third core provider of reliable long-term earnings.

Q. What about the cost-cutting targets?

MOL next called for us to achieve a total of ¥15 billion in cost savings during the three-year period ending in March 2004. We are now well ahead of this goal. Based on progress thus far, we have increased our *MOL next* cost-cutting target almost twofold to ¥29 billion. In the past fiscal year alone, we removed about ¥11.5 billion from our cost structure, about ¥3 billion more than had been initially planned. Most of the cost reductions have occurred in liners. We have fundamentally altered how we use external service providers and shifted many activities from third-party agents to our own sales network in key areas. In fiscal 2002, we plan to cut another ¥14 billion in costs. About ¥11 billion is to come from cuts in container-related expenses and ship chartering and operating costs, mainly in the liner sector. Another ¥3 billion in savings will come from administrative functions.

COST REDUCTION PLAN

Reduction of ¥15 billion over three years (FY2001-2003)

Sales division: ¥8 billion, mainly by reducing cargo-related costs

Administration division: ¥7 billion, mainly by reducing vessel-related costs

(¥ billions)

	Cost Reduction Plan from FY2000						
	FY2001 (results)	FY2001 (plan)	FY2002 Plan (revised)	FY2002 Plan (original)	FY2003 Plan (original)	Total (revised)	Total (original)
Sales Division	9.0	(6.0)	11.0	(1.0)	1.0	21.0	(8.0)
Administration Division	2.5	(2.5)	3.0	(2.0)	2.5	8.0	(7.0)
Total	11.5	(8.5)	14.0	(3.0)	3.5	29.0	(15.0)

Note: FY2003 cost reductions are included in both the revised and original totals.

As of May 2002

Q. What is the status of MOL's strategic drive to create a sound base for group-wide operations?

Measures to realign group operations have already yielded concrete benefits. During the three years since the merger with Navix Lines, we have integrated and merged 50 subsidiary companies into 27. In fiscal 2001, we entered the final phase of improving operations at group companies: dealing with losses from ferries and cruise ships. Both operations have been undergoing realignment and cost-cutting programs for several years. In all, these programs resulted in restructuring costs of about ¥20 billion. In the final significant step, a new company called Shosen Mitsui Ferry began operating in July 2001, taking over our core ferry service linking the Tokyo area and Hokkaido. Looking forward, we will continue reviewing our route structure and seek ways to cooperate with other ferry companies. For cruise ships, Mitsui O.S.K. Passenger Line, Ltd. (MOPAS) has separated charter and leisure operations. Since December 2001, charter operations have been operated by a 50-50 joint venture with another Japanese cruise ship company. MOPAS itself currently operates just one vessel, the Nippon Maru.

Q. Have actions taken to improve corporate governance yielded the expected benefits?

Definitely. During the past few years, the Board of Directors has been downsized and we added directors from outside the company. The nature of board meetings changed dramatically. Much more discussion takes place, and the input of external directors has proven to be invaluable. Establishing the executive officer post has also been successful. Naming executives specifically to conduct operations more clearly delineates responsibility and accountability for implementing strategies approved by the Board.

In June 2002, we further refined the functions of the Board of Directors. The purpose was to draw an even sharper line between the responsibility for policy-making and conducting business operations. The Board now focuses even more tightly on determining fundamental management policies and goals. The Executive Committee, which is responsible for managing our businesses, has been delegated greater responsibilities. With these two moves, we bolstered corporate governance and created a more efficient framework for management.

MOL NEXT TARGET

to make MOL group excellent and resilient in the world shipping industry

Revenues and Income Targets *(Consolidated)*

	March 2002	March 2004
Earnings per Share:	¥8.8	¥28.0
ROE:	6.8%	15.0%
Equity Ratio:	15.5%	20.0%
Interest-Bearing Debt:	¥668 billion	¥600 billion

There are several highlights. The Corporate Visionary Meeting system has been ended and its function combined with board meetings. This meeting was started two years ago to provide a forum for directors to debate long-term strategic goals. Directors now handle all policy-related matters, including business plans, at their official meetings. Another notable change was positioning the Executive Committee as the decision-making body for business operations within the scope of the authority delegated by the Board of Directors. The president, subject to approval of the directors, chooses members of this committee. Finally, the chairman of the board will no longer serve as a corporate executive officer. This move will enable the Board to supervise these officers more effectively. With this new system, MOL is even better positioned to deliver value to shareholders by increasing earnings and sustaining growth.

Q. What is the outlook for meeting the goals of *MOL next*?

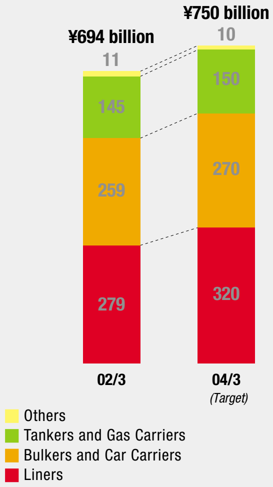
Despite the shortfall in meeting our ambitious earnings goal in the first year of *MOL next*, the entire MOL organization continues to work toward achieving the final targets of *MOL next*. In fiscal 2002, we are forecasting higher revenues but lower operating income compared with the previous year due to expectations of a further downturn in liner rates and a late recovery from last year's soft markets in dry bulkers and tankers. Net income, though, will increase because of a big drop in restructuring costs. Barring drastic movements in foreign exchange rates or other economic parameters, higher earnings along with an expected upturn in 2003 in the shipping markets, particularly in liner rates, and continuous cost reduction efforts may very well enable us to reach the goals of *MOL next*.

On the balance sheet, we achieved a net reduction in debt of ¥77 billion, an excellent start. This makes it highly likely that we will meet the *MOL next* goal of ¥600 billion in interest-bearing debt by March 31, 2004 (assuming a rate of ¥110 to the US dollar).

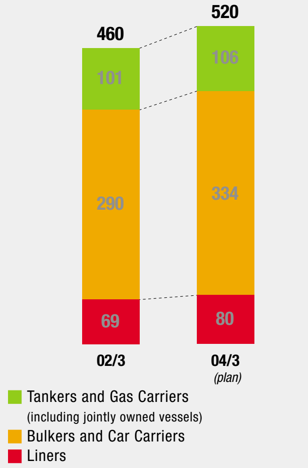
Looking back over the past decade, MOL has undergone a dramatic transformation. Investors must realize, though, that the objective of our current plan is building a foundation for the future. *MOL next* is only the first step in what will be a prolonged transformation process. Fulfillment of these goals will give MOL the required foundation to reach for even higher standards of financial soundness, growth and profitability over the long term.

Growth & Expansion Plan

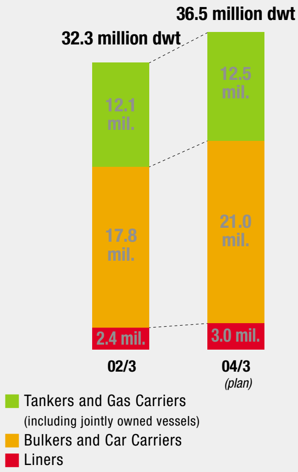
Non-Consolidated Revenues



Non-Consolidated Number of Vessels



Non-Consolidated Deadweight Tons



A solid performance in a difficult market. Why?

More progress ahead. How?

Liners and Logistics
Globally Competitive in Cost and Services

Energy
A Reliable Long-Term Source of Growth

Finance
A Streamlined and Productive Asset Base


The containership *MOL Integrity*

1. The Competitive Edge Becomes Sharper

Due to frequent imbalances between supply and demand, the global liner market is a difficult place to make a profit. Only companies able to achieve further cost reductions will survive. MOL has been responding by cutting costs while enhancing services to build a highly competitive earnings structure. The benefits have been dramatic. MOL's liner operations became more competitive even amid last year's extremely challenging market. More cost reductions will be made everywhere, from ships and terminals to contracts with vendors. Improvements include strengthening the Starnet information management system, replacing third party agencies with owned organizations in certain key areas and shifting European head office functions from London to Rotterdam. Through these measures, liners are to account for about 70% of the ¥14 billion in cost cuts planned for all of MOL in the fiscal year ending in March 2003. Further upgrading the skills of liner personnel will make MOL even more superior to its competitors. All in all, MOL is determined to preserve its position as one of the world's best-managed and most cost-competitive liner operators in terms of cost, service and financial soundness.

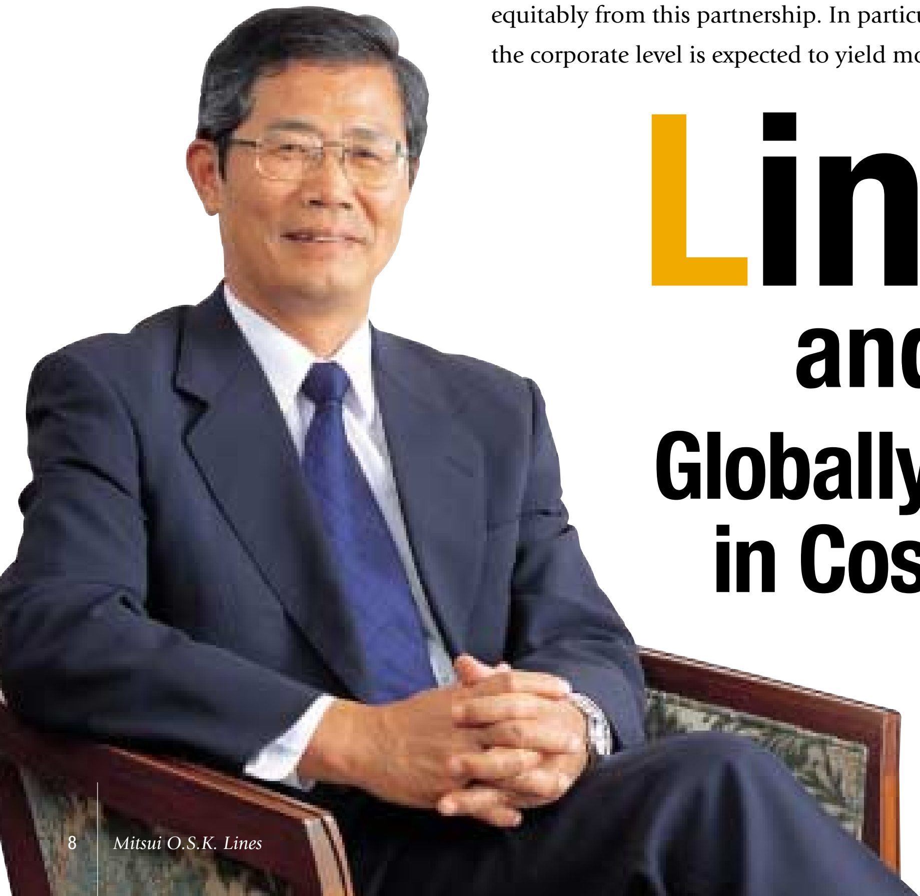
2. Actions to Maximize the Benefits of Alliance Membership

MOL's membership in TNWA has yielded significant benefits. In particular, the ability to operate larger ships and use a fewer number of shared terminals has yielded cost savings of as much as 30%. More opportunities for savings are still untapped in every aspect of operations: containers, vessel design and construction, information technology, procurement, inland transportation services, joint ship management, cargo planning and administrative functions. In the past fiscal year, TNWA companies cooperated to react swiftly by "cascading" its fleet as the container shipping market deteriorated, particularly in the fall of 2001. New vessels destined for the North American trade were deployed on European routes instead. European vessels, in turn were assigned to Asian and Middle Eastern routes, and Middle Eastern vessels were moved to North American routes.

Looking ahead, MOL will be working even harder to see that all alliance partners benefit equitably from this partnership. In particular, taking the alliance from an operating level to the corporate level is expected to yield more synergies for all participants.

Liners and Logistics

Globally Competitive in Cost and Services



Hiroyuki Sato
Senior Managing Director
Senior Managing Executive Officer

3. New Ships **Raise Efficiency** and Take MOL to More Ports

MOL is currently in the process of adding 16 containerships to its fleet in 2002 and 2003 as part of its program to enlarge the liner business. All feature a large capacity and high speed. Taking advantage of these features, as well as its growing fleet, MOL has begun a sweeping review of its service network. This process includes both upgrading service in core markets and the deployment of existing ships to launch new services, such as the Europe/West African and Europe/South American East Coast trade. Plans also include bolstering MOL's presence in India, where company-operated offices have been opened and Asia-Middle East services were realigned, and increasing freight from shippers in China. This ability to utilize ships in line with demand patterns is undoubtedly one of the greatest advantages of operating such a large fleet of containerships.

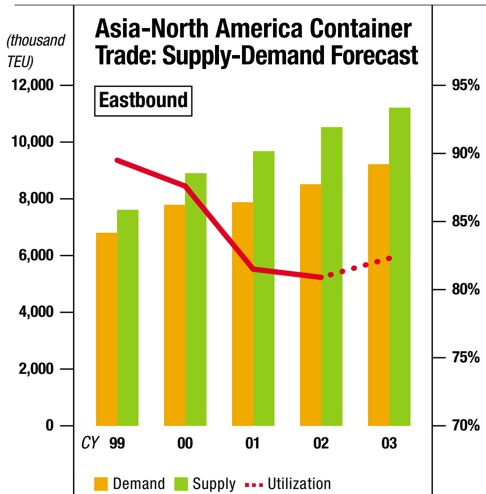
The containership *MOL Advantage*

4. **Customers First** — The Central Theme of Logistics Initiatives

About two years ago, MOL began realigning its logistics infrastructure and more closely linking its logistics and liner operations. At the heart of this drive was the formation of the "MOL Logistics" global network. So far nine companies have been given the well-known MOL name, but there will be more MOL-branded logistics companies to reinforce this network. Logistics will remain a vital element in MOL's commitment to achieve higher levels of customer satisfaction. Future investments in logistics will be made as required to offer customers comprehensive supply chain solutions by harnessing the power of the liner network. Offering directly every element of the logistics chain is not the goal. MOL will make strategic investments as required to serve customers as the gateway to a full line of support that can be truly called one-stop shopping.

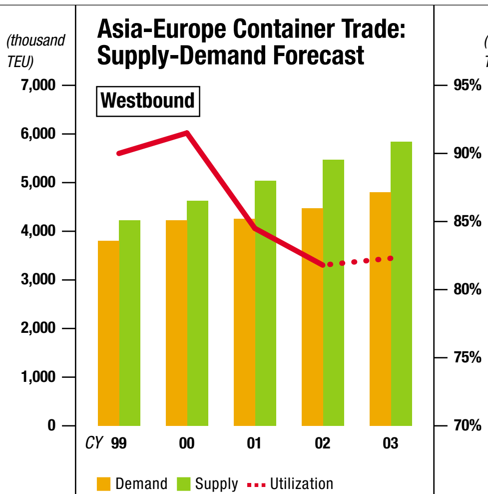
MOL Logistics (Netherlands) B.V.

Asia-North America Container Trade: Supply-Demand Forecast



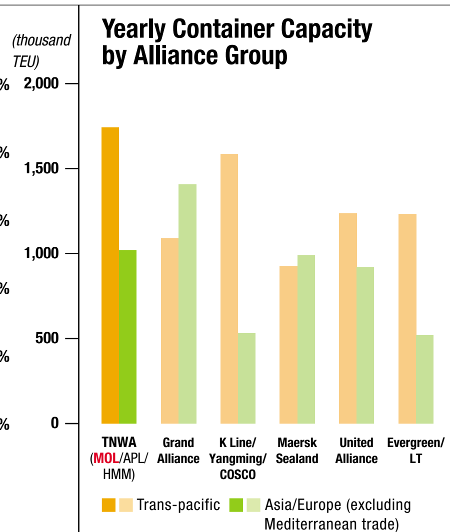
Source: MOL estimate

Asia-Europe Container Trade: Supply-Demand Forecast



Source: MOL estimate

Yearly Container Capacity by Alliance Group



Source: MDS Transmodel "Containership Databank" February 2002

Energy

A Reliable Long-Term Source of Growth

The double-hull VLCC *Washusan*

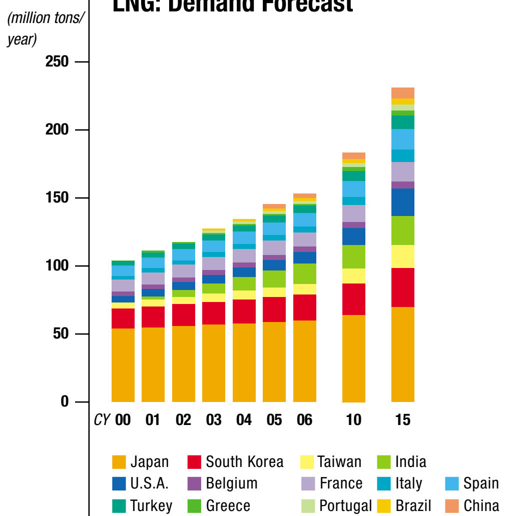
1. Energy-Related Shipping Operations Continue to *Gain Momentum*

The field of energy has long been at the heart of MOL's transformation to a more profitable, faster-growing organization. Since fiscal 1996, tankers and other vessels carrying crude oil and petrochemicals have grown from 16% to 21% of MOL's non-consolidated revenues. In VLCCs, progress continues in adding double-hull and other vessels with even larger capacity, in line with *MOL next*. There are 12 double-hull VLCCs now, and the entire MOL VLCC fleet of about 30 vessels is to incorporate this structure by 2010. Seven large-scale, double-hull VLCCs have already been ordered since the start of *MOL next*. In coal carriers, MOL is increasing its presence in the expanding market for shallow draft vessels.

2. *LNG* — MOL Builds on Its *Dominant Market Position*

The first MOL-operated LNG carrier entered service in 1983. By March 2002, MOL owned, operated or had an interest in 38 of these carriers, about 30% of the 128 LNG carriers now operating worldwide. This firmly ranks MOL as the global leader in this market. Central to this growth was an early focus on opportunities worldwide. Today, MOL delivers LNG to several countries other than Japan. Trust is central to MOL's position of industry leadership. LNG carriers demand the highest standards of safety, maintenance and technical expertise. MOL has demonstrated again and again its ability to deliver this kind of reliability. Furthermore, MOL can take advantage of its unparalleled experience and knowledge to function as a business partner rather than merely a ship operator. Another advantage of market leadership is that MOL is poised to be the primary beneficiary of the certain emergence of a VLCC-like spot market for LNG carriers.

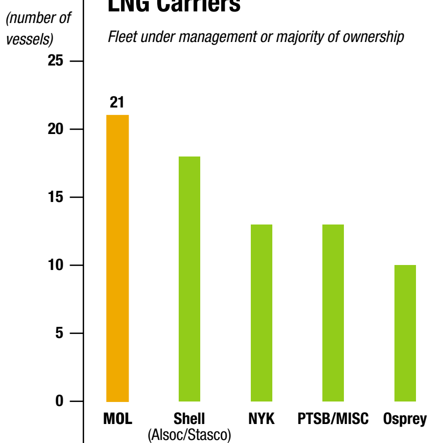
LNG: Demand Forecast



Source: Poten & Partners, Cedigaz

LNG Carriers

Fleet under management or majority of ownership



Source: Barry Rogliano Salles, etc.
As of April 2002

* MOL participates in the ownership and/or operation of 49 of the approximately 190 LNG carriers worldwide that are either operating or planned.

3. Opportunities Continue to *Multiply in the LNG Market*

The past fiscal year was one of the best ever for MOL's LNG operations. Contracts for eight vessels were signed with four clients. Highlights of the contracts included: the Exmar-MOL joint venture agreeing to charter four vessels to U.S-based El Paso Corporation; a venture with three other shipping companies to charter two vessels to India's Petronet LNG Ltd.; MOL teaming up with four other shipping companies to charter a new LNG carrier to Qatar Gas Co., Ltd.; and a joint venture with Leif Hoegh & Co. ASA and Statoil ASA to charter a new vessel to serve Norway's SNOHVIT project. In another notable development, the Sultanate of Oman purchased an interest in *Lakshmi,* a newly built LNG carrier, and entered into a 20-year time charter. The vessel is to be used for the transport of LNG from Oman to a power plant in India. This landmark agreement marks the first time the Omani government has participated in LNG shipping, demonstrating again the value of MOL's position as the world's preeminent operator of LNG carriers. MOL will continue to target opportunities in LNG offshore trades, a market sector with the significant long-term growth potential.

The LNG carrier *Al Bidda*

4. Targeting Another *Rapidly Expanding* Market Sector — *Methanol*

Virtually non-existent only 20 years ago, demand for methanol carriers is now rising steadily along with industrial demand for this petrochemical. Methanol is critical to the production of formaldehyde, the gasoline additive MTBE and other widely used chemicals. Transporting methanol is extremely difficult because it can be easily contaminated. As in its LNG carrier operations, MOL has built on a reputation for outstanding safety and reliability to establish a number-one market position. MOL operates 19 specialized methanol carriers, two-thirds of the entire global fleet, all under long-term contracts.

The methanol carrier *Millennium Explorer*

Tokinao Hojo
Senior Managing Director
Senior Managing Executive Officer

Finance

A Streamlined and Productive Asset Base

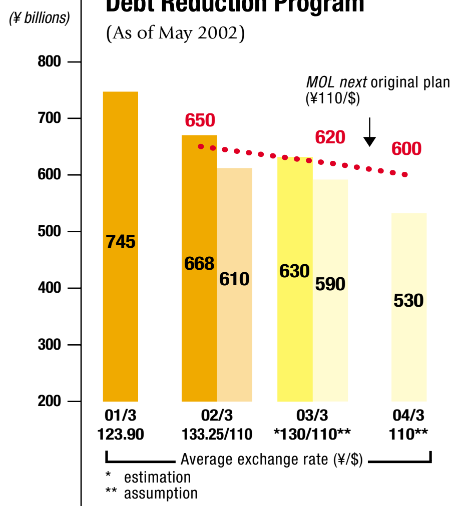
1. Progress in Reducing Costs Cushions Fall in Operating Income

Fiscal 2001 results demonstrate how the benefits of cost cutting and debt reductions have made MOL much more resilient to negative trends, especially downturns in the liner market. Despite a global economic slump and low rates in many key shipping sectors, MOL was able to report a substantial operating profit for the year. Revenues were up 1.8%, mainly a reflection of the positive effect of a weakening yen on foreign currency revenues.

Operating income decreased by ¥18.5 billion to ¥59.8 billion. The weaker yen increased operating income by ¥12.4 billion, cost reductions lifted operating income by ¥10.9 billion and lower bunker prices had a favorable effect of ¥6.1 billion. More than offsetting these gains, however, was the ¥40.3 billion impact of lower market rates, mainly for liners. Interest expense was down 18.7%, a decline of ¥7.4 billion, the benefit of ongoing reductions in debt. Net other expenses declined from ¥25.1 billion in fiscal 2000, when MOL posted substantial retirement expenses, to ¥10.6 billion, most of which is losses on sales of bank stocks. The result was net income of ¥10.5 billion, about the same as in fiscal 2000. With no more significant restructuring-related expenses foreseen, MOL expects that fiscal 2002 net income will increase even though the outlook is for another decline in operating income.

Kazuaki Konishi
Managing Director
Managing Executive Officer

Debt Reduction Program
(As of May 2002)



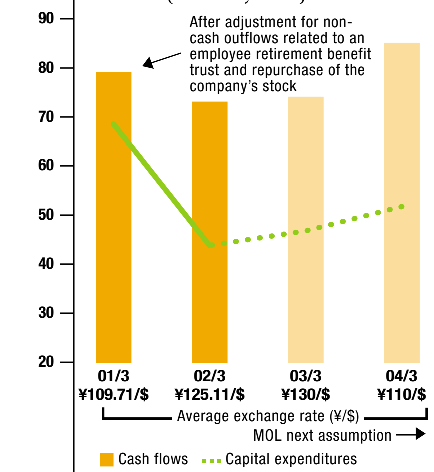
2. A Balance Sheet With *Less Debt* and *More Productive Assets*

The March 31, 2002 balance sheet illustrates the progress made toward building a leaner and more productive asset base, a central goal of *MOL next*. Reducing debt and increasing equity are two key themes. There was a net reduction in interest-bearing debt of ¥76.9 billion during the fiscal year, to ¥667.7 billion. Debt peaked at ¥943.1 billion in March 1998 and was ¥744.6 billion in March 2001 just before *MOL next* began. Making this possible were: consistently high operating cash flows, a policy of keeping capital expenditures below operating cash flows, proceeds from sales of non-strategic vessels and the greater use of off-balance-sheet methods to procure new ships. Regarding equity, MOL's goal is an equity ratio of over 20%. This effectively means that total debt must be brought within three times of equity. Debt reductions will be stepped up to meet this goal. At the same time, MOL plans to conduct global offerings and take other actions to attract more individual and institutional shareholders, as financial institutions unwind their cross-holdings. There were two other notable changes in the balance sheet during fiscal 2001. One was a net decline of ¥56.2 billion in the book value of vessels as MOL expanded its fleet using non-owned vessels. The other is the inclusion in shareholders' equity of ¥11.4 billion in unrealized gains following the adoption of a new accounting method for financial instruments. More headway in building a stronger balance sheet is expected over the next several years as energy-related operations, a reliable generator of cash, account for a growing share of MOL's revenues.

3. Consistently *High Free Cash Flows* Fund Debt Reductions

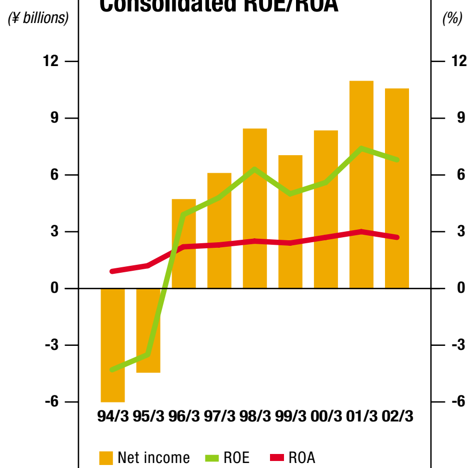
The steady improvement in MOL's operations in recent years is clearly evident in consolidated cash flows. Free cash flows, defined as operating cash flows less capital expenditures, totaled ¥41.3 billion in fiscal 2001. By implementing a balance sheet streamlining program, MOL has generated free cash flows totaling ¥78.2 billion during the past three fiscal years. MOL's energy fleet, one of the world's largest, is a major reason for today's considerable cash flows. Convinced of the outstanding long-term prospects for the energy transportation market, large investments were made in this sector over a period of several years even though cash flows were much lower at that time. Today, these investments are paying off in the form of reliable earnings and cash flows. MOL will continue to follow this policy, using its even sounder financial position to fund investments in markets with outstanding long-term prospects.

Capital Expenditures and Cash Flows (As of May 2002)



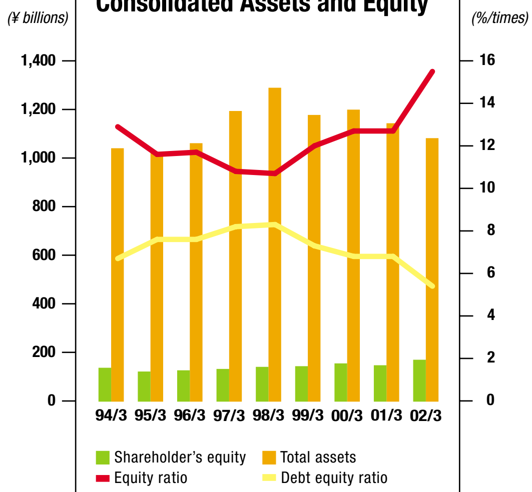
Cash flows=Net income+Depreciation-Dividends

Consolidated ROE/ROA



ROA=[Net income+Interest payable × (1−Corporate income tax rate)] / Average total assets at the beginning and the end of the fiscal year

Consolidated Assets and Equity



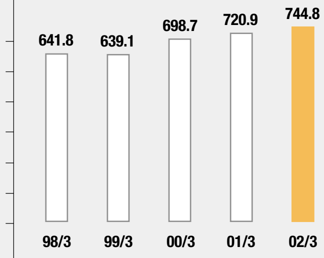
Overseas Shipping

> Ship Operation *> Ship Management & Manning*
> Chartering *> Cruising*

FY2001 Results

Revenues increased 3.3% to ¥744.8 billion and operating income declined 20.7% to ¥58.7 billion. The benefits of the yen's depreciation and lower bunker prices were offset by a downturn in cargo volumes in the fiscal year's second half as the world economy weakened and by competitive pressure on freight rates. In liners, earnings were much lower because of excess capacity and declines in rates and cargo volumes. In the second half of fiscal 2001, MOL reduced the number of ships on key routes and became more cost competitive. In non-liner operations, earnings were higher. Making this possible were new cross-trade contracts, gains in operating efficiency and the large number of specialized carriers, tankers and other energy-related vessels operating under long-term contracts. Cruise ship operations were unchanged.

Consolidated Revenues
(¥ billions)



Consolidated Revenues

Overseas Shipping

77%

The containership *Alligator Liberty*

Ferry/Domestic Shipping **3%**

Ferry/Domestic Shipping

> Ferry & Domestic Shipping
> Tugboat Operations

The ferry *Sunflower Tomakomai*

FY2001 Results

Revenues decreased 11.1% to ¥32.7 billion and there was an operating loss of ¥1.0 billion. Restructuring of MOL's ferry operations continued with the July 2001 start of operations at Shosen Mitsui Ferry Co. Actions also included improved services and withdrawals from unprofitable routes. Fiscal 2001 results were impacted by sharply lower cargo volume and intense competition. Work continues to focus ferry operations exclusively on strategic regions and provide services that even more closely reflect the needs of each user segment. Another goal is generating greater synergies with other members of the MOL Group.

Consolidated Revenues
(¥ billions)

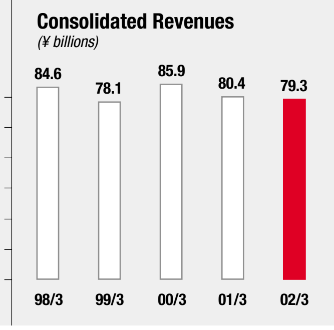
Shipping Agent and Harbor/Terminal Operations

> Shipping Agent
> Harbor/Terminal Operations & Customs Clearance

The new Ohi container terminal

FY2001 Results

Revenues decreased 1.4% to ¥79.3 billion and operating income fell 63.7% to ¥1.2 billion. Lower cargo volumes on major liner routes cut into profitability in the container terminal business. The year was highlighted by the October 2001 completion of the highly efficient Ohi Terminal No.4 at Tokyo International Container Terminal. Japan's sluggish economy and intense competition created difficulties for domestic logistics operations. Nevertheless, domestic logistics earnings were down only slightly because of cost reduction programs in the previous fiscal year.



Shipping Agent and Harbor/ Terminal Operations
8%

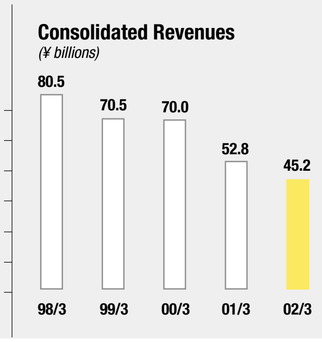
Cargo Forwarding and Warehousing Operations
5%

Other Operations
7%

Cargo Forwarding and Warehousing Operations

> Cargo Forwarding
> Logistics & Warehousing

MOL Logistics (Netherlands) B.V. head office

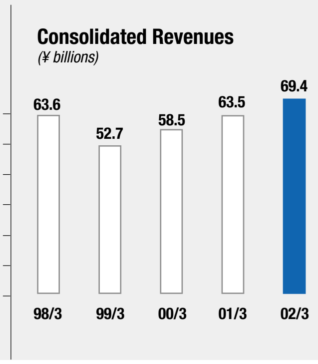


FY2001 Results

Revenues decreased 14.5% to ¥45.2 billion and there was an operating loss of ¥0.3 billion. Cost reductions in the air freight forwarding business continued, but earnings declined along with cargo volume caused by economic weakness in the U.S. and Japan.

Other Operations

> Office Rental & Real Estate
> Finance & Insurance
> Others

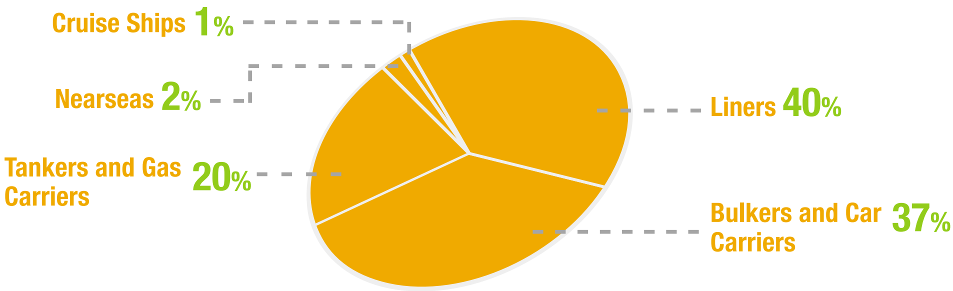


FY2001 Results

Revenues increased 9.2% to ¥69.4 billion and operating income was down 10.1% to ¥2.6 billion. In temporary staffing, resources were consolidated by merging two companies to form Mitsui O.S.K. Career Support Co., Ltd. In trading, vessel supplies and other activities were enhanced, but operating results did not improve. In the travel agent business, the establishment of M.O. Tourist Co., Ltd. contributed to an improvement in operating results.

Note: All figures include intersegment transactions.

Overseas Shipping Revenues



Note: The above chart shows the composition of the 77% of consolidated revenues from overseas shipping.

Profile

Liners

The containership *MOL Thames*

MOL operates a fleet of 65 containerships along with an extensive infrastructure of terminals, warehouses, forwarders and other service providers. In all, MOL ranks among the world leaders in container transportation. On some routes, MOL operates under the banner of TNWA, an alliance formed by MOL, APL and Hyundai Merchant Marine, that collectively operates the world's largest fleet of containerships. In recent years, MOL has made dramatic gains in productivity as well as the quality of services through investments in IT, new vessels and other actions.

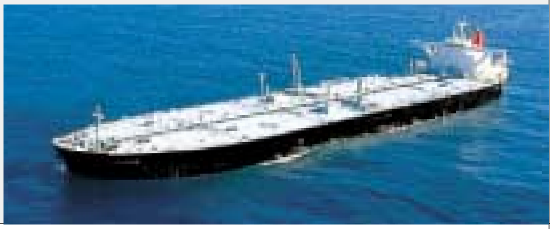
Bulkers and Car Carriers

The Capesize bulker *Brilliant Arc*

The primary markets for bulkers are the transportation of iron ore, coking coal, steaming coal, wood chips and grain. MOL operates a fleet of 206 bulkers, the world's largest. The fleet includes Capesize, Panamax, handymax and small handy bulkers, about half of which operate on long-term charter contracts. In car carriers, MOL has a market share of about 20%. To upgrade Atlantic Ocean services, MOL began a four-continent express service in March 2001 that connects Europe, North America, Latin America and Africa. With its extensive global network, MOL is fully prepared to serve automobile manufacturers as they set up and expand production bases around the world.

Tankers and Gas Carriers

The double-hull VLCC *Washusan*



MOL operates one of the world's largest fleets of tankers and gas carriers. About two-thirds of MOL's VLCCs are under charter to Japanese oil companies; the remainder are chartered to major oil companies in the U.S. and Europe. With a global market share of about 30%, MOL is the leading name in LNG carriers, currently operating 21 of these vessels. In methanol carriers, MOL has a dominant position with a market share of almost 70%. Almost all of the company's methanol carriers serve customers in countries other than Japan.

Nearseas

The tween decker *Sun Grace*

In July 2001, MOL launched an integrated nearseas shipping business by merging M.O. Seaways, Ltd. and Navix Kinkai, Ltd. This move provides a unified base for the operations of tween deckers in the intra-Asia trade by a new company called Mitsui O.S.K. Kinkai, Ltd. The new organization gives MOL a more powerful base to compete in Asia. Mitsui O.S.K. Kinkai has a fleet of 45 vessels and can carry 4.5 million tons of cargo annually.

Cruise Ships

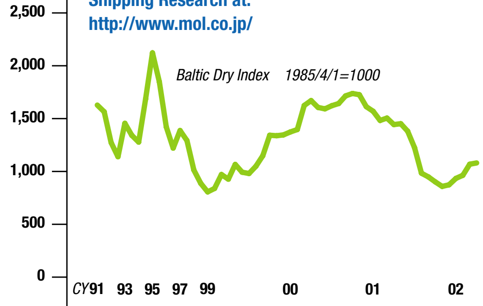
The cruise ship *Nippon Maru*

Mitsui O.S.K. Passenger Line, Ltd., is responsible for cruise ship operations, a business that MOL has been conducting for nearly a century. Following a reorganization of MOL's cruise business in 2001, this company now operates one vessel, the Nippon Maru. Launched in 1990, the 204-cabin Nippon Maru is one of the most well-known and venerated cruise ships in Japan, boasting a long history of cruises ranging from one-night outings to around-the-world voyages.

Major Market Indicators

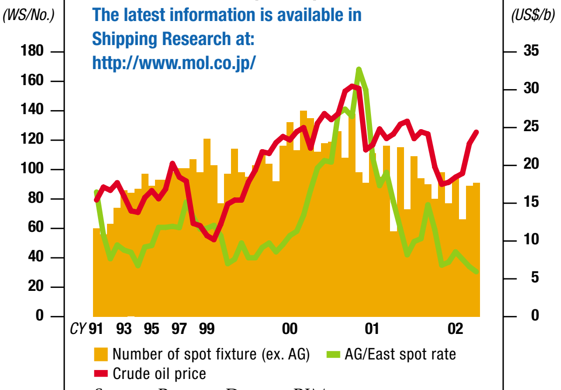
Dry Bulk Market

The latest information is available in Shipping Research at: http://www.mol.co.jp/



Tanker Market (VLCC)

The latest information is available in Shipping Research at: http://www.mol.co.jp/

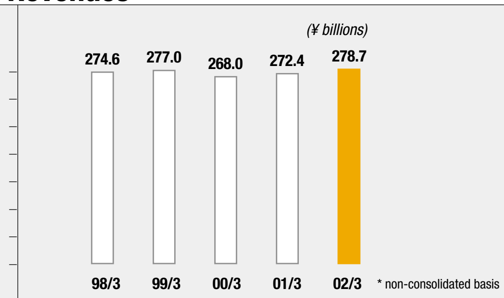


Source: Reuters, Drewry, RIM, etc.

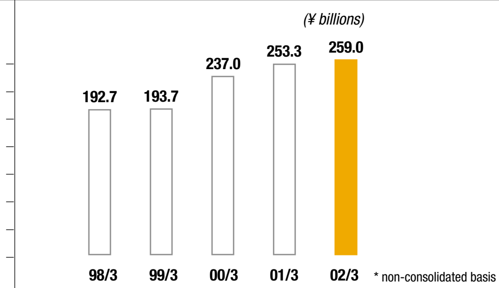
Results

Total Revenues

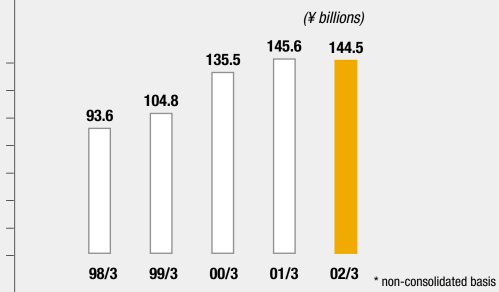
Non-consolidated revenues increased 2.3% to ¥278,747 million. Contributing to this growth were the introduction of large, high-speed vessels on routes linking Asia with Europe and North America, and the establishment of service on new routes in Asia. However, liner earnings were down sharply as flat cargo volumes coupled with rising capacity sparked intense competition. In response, MOL reduced capacity on several major routes and accelerated cost-cutting programs.



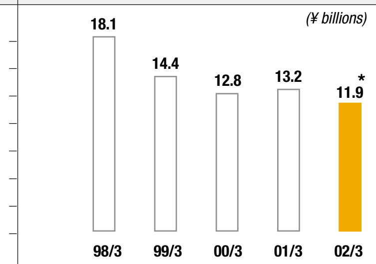
Non-consolidated revenues climbed 2.2% to ¥259,017 million. Bulker results were affected by declining charter rates in the fiscal year's second half, but the significant share of long-term contracts, particularly with Japanese utilities for coal transport, helped cushion the impact of the market downturn. Car carrier revenues rose as MOL began service on new routes. During the year, several long-term contracts for coal transportation were signed with Japanese utilities, setting the stage for more growth in the coming years.



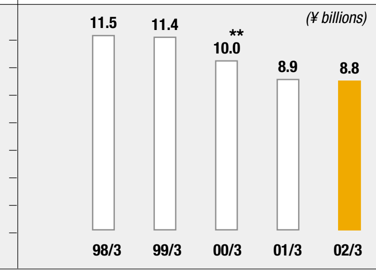
During the fiscal year, OPEC's decision in the summer of 2001 to cut crude oil production brought about a deep and prolonged downturn in the VLCC market. However, as long-term contracts shielded MOL's VLCC results from deteriorating market rates, non-consolidated revenues declined only 0.7% to ¥144,548 million. LNG operations continued to generate stable earnings and steady growth.



Revenues at Mitsui O.S.K. Kinkai decreased 10.1% to ¥11,863 million. Results benefited from strength in exports of steel from Japan to other Asian countries and stability in the price of bunker. Holding down both revenues and earnings, however, was weakness in shipments of plywood from Southeast Asia and the time required to achieve the greater efficiencies made possible by the July 2001 integration of operations.



At ¥8.8 billion, revenues were about the same as in the previous fiscal year despite the prolonged slump in consumer spending in Japan and the further drop in demand for charter cruises and other travel following September 11.

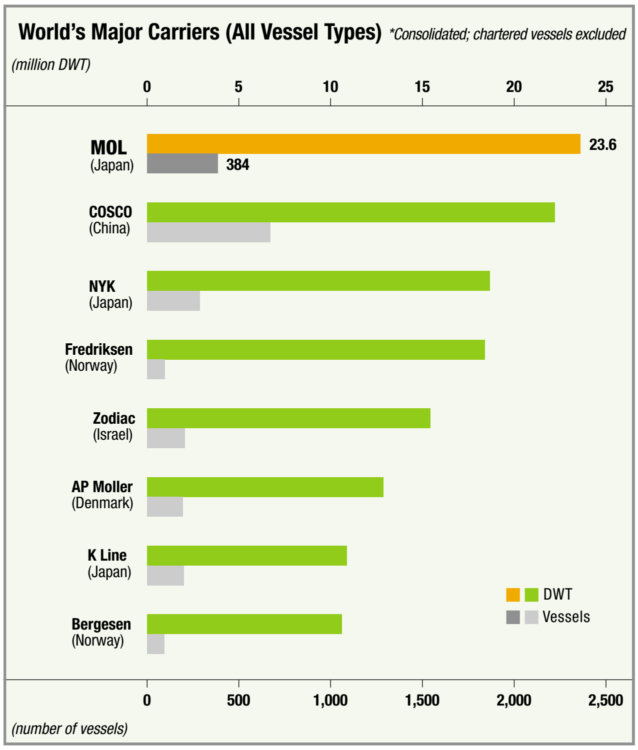


Note: Total of liners, bulkers and car carriers, tankers and gas carriers, nearseas and cruise ships revenues does not match consolidated overseas shipping revenues.

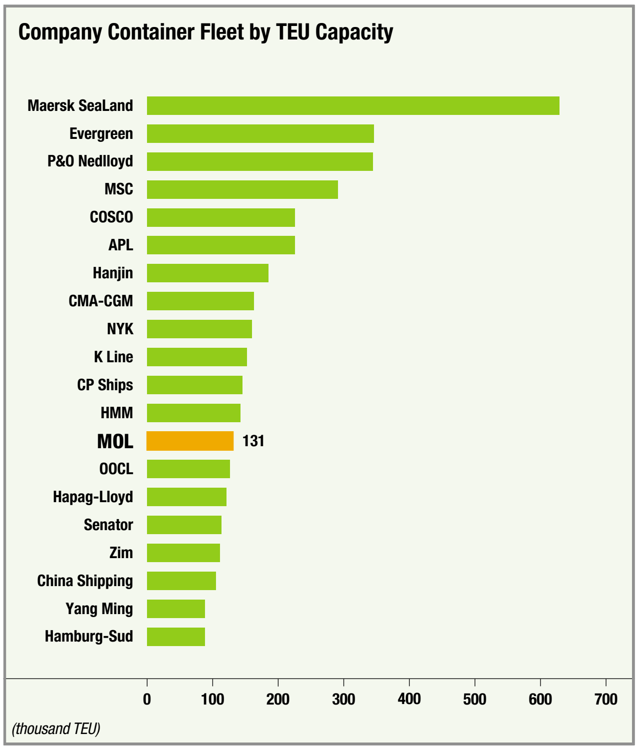
* Revenues are the sum of the nearseas subsidiaries of MOL and Navix and exclude revenues from operations within Japan. The decline in fiscal 2001 revenues is due to the inclusion of only nine months of revenues at Navix Kinkai caused by timing factors related to the July 2001 M.O. Seaways-Navix Kinkai merger.

** In fiscal 1999, the Shin-Sakura Maru left service, leaving the company with two vessels: Nippon Maru and Fuji Maru.

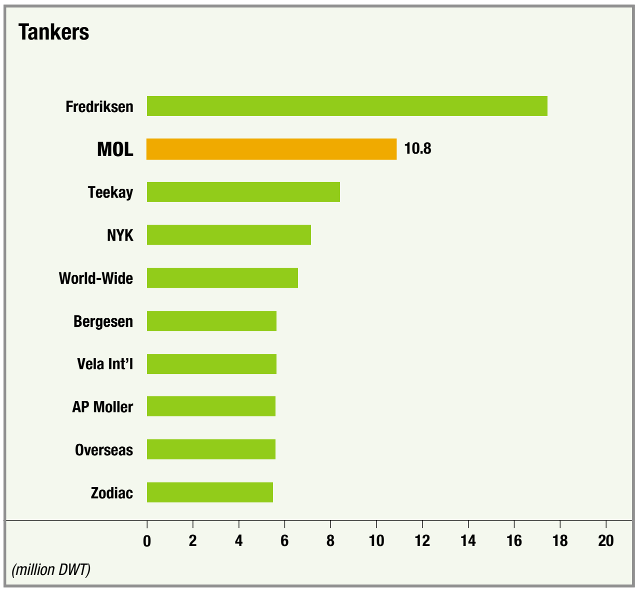
MOL operates a large and balanced ocean-going fleet.
In terms of its total fleet size and presence in individual market categories, MOL ranks among the world's largest shipping companies.



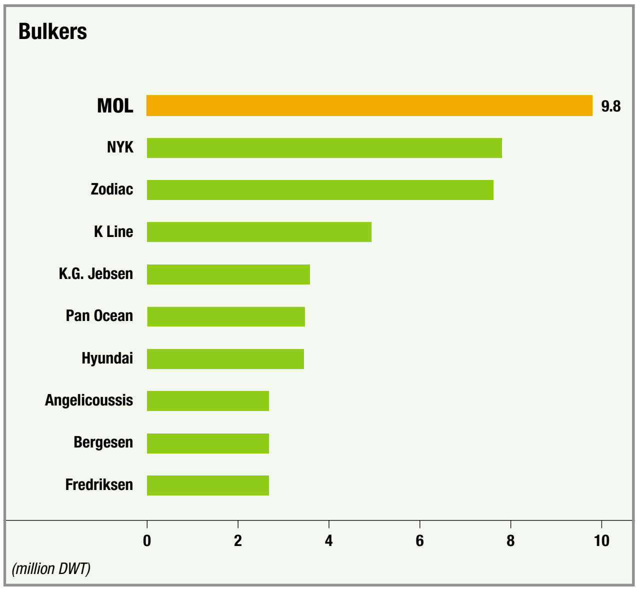
Source: Lloyds Maritime Database
As of January 2002



Source: MDS Transmodal "Containership Databank," February 2002
As of February 2002

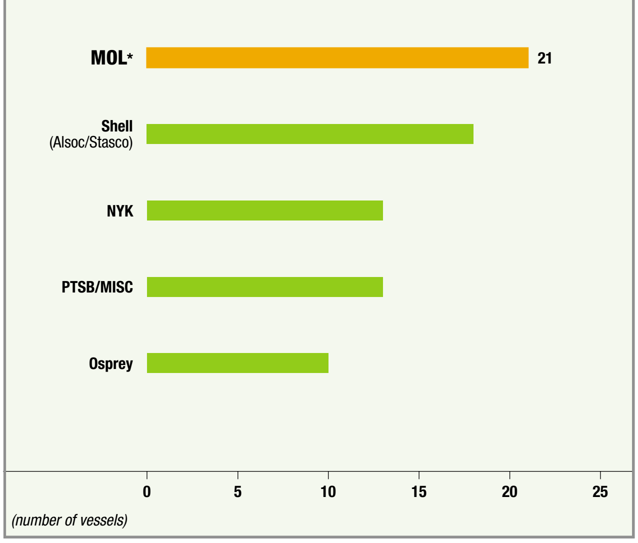


Source: Clarkson Tanker Register 2002
As of January 2002



Source: Clarkson Bulkcarrier Register 2002
As of January 2002

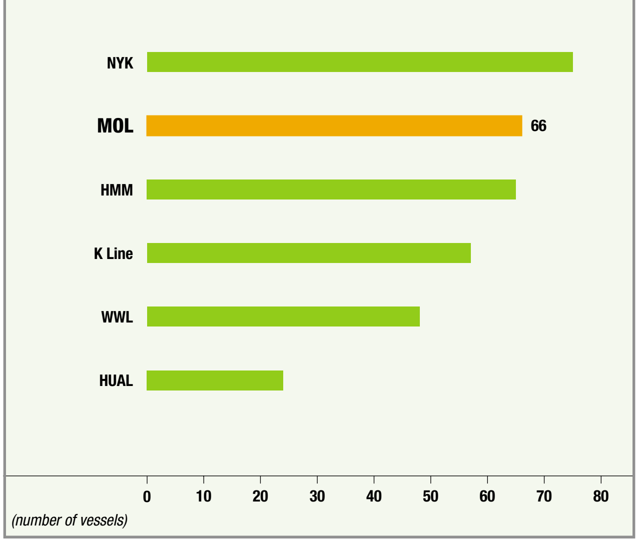
LNG Carriers *Fleet under management or majority of ownership*



Source: Barry Rogliano Salles, etc.
As of April 2002

* MOL participates in the ownership and/or operation of 49 of the approximately 190 LNG carriers worldwide that are either operating or planned.

Car Carriers



Source: MOL internal calculation based on Fearnley's July 2001 data
As of May 2002

MOL Fleet Composition (Non-Consolidated)

Fleet	Containerships	65 (2,359,191)	Chemical/ Products Tankers	35 (1,678,186)
	Bulk Carriers	171 (14,884,305)	LNG Carriers	23 (1,560,885)
	Wood Chip Carriers	35 (1,609,920)	LPG Carriers	7 (209,327)
	Car Carriers	77 (1,094,070)	Others (Heavylifters, Ferries and Others)	18 (279,010)
	Crude Oil Tankers	36 (8,667,005)	Total	467 (32,341,899)

Figures in parentheses show deadweight tons (DWT).
As of March 31, 2002

Note: Figures in the six tables do not match data in MOL Fleet Composition due to discrepancies between the calculation methods of external organizations and MOL.

Safe navigation and respect for the environment are the fundamental precepts upon which all of the MOL Group's transportation and logistics operations are conducted. Preventing accidents, particularly those that could cause pollution, is the key element of safety initiatives. Here, MOL is replacing older vessels with vessels featuring double hulls and taking other safety measures. Rigorous training programs for crewmembers that utilize simulators and other advanced technology also contribute to safe navigation. Guiding environmental activities is the MOL Group's Environmental Policy Statement, which was formulated in 2000. This led to the formation of the Environment and Technology Group within the Technical Division and the issuance of the first environment report in the shipping industry. In April 2001, the MOL EMS 21 environmental management system was adopted. This unique system provides a comprehensive framework for bringing about continuous reductions in the environmental impact of our business activities.

PREVENTION OF AIR POLLUTION

Compared to other modes of transportation, ships have extremely low CO_2 emissions per unit load. We have taken actions to reduce CO_2 emissions per unit load by improving operating efficiency, using propeller boss cap fins (PBCF), exhaust gas economizers and turbo generator systems, and by cleaning ship bottoms to minimize drag. These measures have been effective, as MOL's CO_2 emissions per unit load have been declining steadily for many years. Practical measures to limit NOx (nitrogen oxides) emissions are restricted by space limitations on vessels. To reduce these emissions engines frequently undergo maintenance procedures and inspections to ensure optimum performance. Regarding SOx (sulphur oxides) emissions are proportionate to the sulfur content of fuel oil. MOL's vessels are well below regulations because only fuel with a sulfur content of less than 3% by weight is used.

CO_2 REDUCTIONS

Fiscal 2002: Goal is a 2% reduction in emissions per unit load during fiscal 2002 and 2003.

NOx, SOx REDUCTIONS

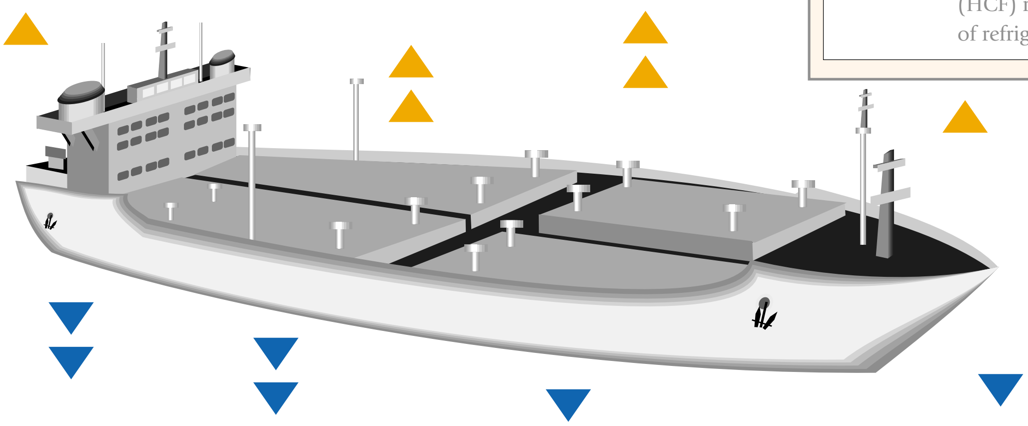
Fiscal 2002: Goals are a 2% reduction in NOx emissions per unit load during fiscal 2002 and 2003 and reducing SOx emissions per unit load.

OZONE DEPLETING SUBSTANCES

Containers are major users of refrigeration and freezing systems. Recognizing the risks posed by fluorocarbons, MOL began employing substitute refrigerants in 1992.

Fiscal 2001: R-12 (CFC) refrigerants replaced with R-134a (HFC) refrigerants, which have an Ozone Depletion Potential (ODP) of zero, in 32% of refrigerated containers.

Fiscal 2002: R-12 (CFC) refrigerants to be replaced with R-134a (HCF) refrigerants in 35% of refrigerated containers.



PROTECTING THE MARINE ENVIRONMENT

MOL has stringent rules to prevent oil discharges and ensure the proper disposal of waste oil and bilge water in accordance with international regulations. MOL also takes steps to reduce the environmental impact of anti-fouling paints and ballast water.

ANTI-FOULING PAINTS

MOL is shifting to tin-free (TF) paints to eliminate environmental problems that occur when tributyl tin is leeched into seawater. By March 2002, 50% of MOL's fleet was coated with TF paints. This process is to be completed by 2005.

Fiscal 2001: 20 vessels sandblasted and switched to TF paints

Fiscal 2002: 25 vessels to be sandblasted and switched to TF paints

BALLAST WATER

In accordance with IMO ballast water management guidelines, as well as local and national regulations and recommendations, MOL exchanges ballast water far from any coastline, while taking into consideration hull strength, weather conditions, and remaining within the prudent bounds of safety and feasibility. Research continues at MOL into ways to make ballast water harmless.

Fiscal 2002: More research in ways to eliminate harmful substances from ballast water and measures to raise awareness of regulations and share information related to ballast water.

FY2001 Environmental Accounting (from April 2001 to March 2002)

Environmental Costs

(¥ thousand)

Classifications	Contents	Investment amount	Expense amount
Environmental protection costs (costs for global environmental protection)	Switch to TF anti-fouling ship bottom paints	0	549,300
	Investments in ship equipment (PBCF) (exhaust gas economizer and turbo generator (T/G) system*)	654,600	42,100
(resource recycling costs)	Environmental measures in offices (installation of hot-air hand dryers)	0	2,200
Management costs	Preparation of environmental reports Personnel expenses, etc.	0	52,000
Research and development costs		1,400	12,800
Total		656,000	658,400

Economic Benefits Accompanying Environmental Protection Measures

(¥ thousand)

Effect	Monetary value
Reduction of fuel expenses (Benefits of sandblasting hulls prior to repainting, adoption of PBCF, and installation of exhaust gas economizer and T/G system)	590,300
Reduction in waste disposal expenses at offices (benefit of installation of hot-air hand dryers)	2,100
Total	592,400

Notes: 1. The above table does not reflect MOL's investment of about ¥2.3 billion in FY2001 in refrigerated containers using refrigerants that do not adversely affect the ozone layer.
2. Fiscal 2001 depreciation expenses for PBCF and exhaust gas economizer and T/G systems installed during FY2000 or afterward are used as the basis for environmental expenses associated with investments in vessel equipment.
3. Sandblasting and the installation of PBCF and exhaust gas economizer and T/G systems conducted during FY2000 made the first full-year contribution to reducing fuel consumption in FY2001. The above table includes this full-year benefit.
4. (*) The exhaust gas economizer and T/G (turbo generator) system converts thermal energy from the main engine's exhaust gas into steam, which drives a generator that supplies electricity. This system reduces consumption of fuel oil for generation of electricity, helping to reduce emissions of CO_2, NOx and SOx.

MOL AND INFORMATION TECHNOLOGY

MOL invests in IT for a variety of purposes including safe navigation, environmental protection, cost reductions and better services for customers.

IT and Safe Navigation

In fiscal 2000, MOL began equipping tankers and other vessels with its Electronic Chart Display and Information System to reduce the risk of accidents caused by navigation errors. This was followed in 2001 with the upgrading of the company's TOMAS (Total Management System), a ship performance analysis system that tracks the efficacy of navigation and ship maintenance management. An exclusive MOL technology, TOMAS was enhanced to permit the monitoring of ship operations from distant offices and viewing of the status of all ships in the MOL fleet. Quickly ascertaining the performance of MOL's more than 500 vessels dramatically improves both ship management efficiency and safety.

More Cost Competitive

To procure bunker more cheaply, MOL in October 2000 became the first member of the shipping industry to procure bunker using the Internet. This advance made procurement operations more efficient. In April 2002, MOL became the first major shipping company in Japan to use the Internet to settle port charges for bulkers and specialized carriers, which do not operate on a fixed schedule. This Internet-based system greatly speeds the settlement of port charges while improving cost management and reducing MOL's administrative workload.

Efficient Management and Provision of Liner Information

MOL's global STARNET information management system standardizes liner operations and improves customer service. This system was extended to the U.S. in 2000 and in fiscal 2001 began operating in Europe, to cover all MOL's major east-west trades. MOL is a founding member of the GT Nexus Network, an e-logistics Web portal for containers. Introduced in the summer of 2001, GT Nexus integrates the back-office systems of all participating companies to provide customers with a single platform for global maritime transportation services.

Local Offices

Main Calling Ports


ANCHORAGE
HOMER
PRINCE RUPERT
KITIMAT
VANCOUVER
NEW WESTMINSTER
PORT ANGELES
SEATTLE
TACOMA
VANCOUVER WA
PORTLAND
COOS BAY
EUREKA
BENICIA
SACRAMENTO
CONCORD
SAN FRANCISCO
STOCKTON
OAKLAND
PORT HUENEME
LOS ANGELES
LONG BEACH
SAN DIEGO
MINNEAPOLIS
TORONTO
THREE RIVERS
DAVISVILLE
BOSTON
SHEET HARBOR
HALIFAX
DETROIT
CLEVELAND
CHICAGO
WILMINGTON
NEWARK
NEW YORK
CINCINNATI
JERSEY CITY
KANSAS CITY
ST.LOUIS
PHILADELPHIA
BALTIMORE
NORFOLK
MEMPHIS
DALLAS
MOREHEAD CITY
ATLANTA
CHARLOTTE
CHARLESTON
SAVANNAH
CONVENT
LAKE CHARLES
BRUNSWICK
HAMILTON
NEW ORLEANS
MOBILE
HOUSTON
JACKSON VILLE
PT.EVERGLADES
FREEPORT
NASSAU
MIAMI
ALTAMIRA
MONTERREY
CEDROS ISLAND
MEXICO CITY
VERACRUZ
MANZANILLO
HONOLULU
S.P.DE MACORIS
PUERTO PLATA
ST.DOMINGO
RIO HAINA
SAN JUAN
P.A.PRINCE
KINGSTON
FREDERIKSTED
PHILIPSBURG
ST.JOHNS
BASSETERRE
ROSEAU
P.A.PITRE
F.DE FRANCE
CASTRIES
KINGSTOWN
BRIDGETOWN
ST.GEORGE'S
ACAPULCO
SALINA CRUZ
PUERTO QUETZAL
CURACAO
BONAIRE
ARUBA
SANTA MARTA
BARRANQUILLA
ACAJUTLA
CORINTO
SAN LORENZO
CALDERS
PT. LIMON
COCO SOLO
BALBAO
PORT OF SPAIN
POINT LISAS
PUERTO SUCRE
GUANTA
LA GUAIRA
CARTAGENA
PUERTO CABELLO
COVENAS
PANAMA
(PT. OF MANZANILLO)
BUENA VENTURA
ESMERALDAS
MANTA
GUAYAQUIL
MACAPA
BELEM
MANAUS
PONTA DA MADEIRA
APIA
PAGOPAGO
PAPEETE
NUKUALOFA
CALLAO
SALVADOR
MATARANI
ILO
ARICA
IQUIQUE
ANTOFAGASTA
CHAÑARAL
TUBARAO
PRAIA MOLE
VITÓRIA
SAO PAULO
SANTOS
RIO DE JANEIRO
SEPTIVA
PARANAGUA
ASUNCION
SÃO FRANCISCO DO SUL
VALPARAISO
ITAJAI
RIO GRANDE
P.D.CHUNGO
SANTIAGO
SAN ANTONIO
TALCAHUANO
SAN VICENTE
CORONEL
LIRQUEN
CORRAL
MONTEVIDEO
ZARATE
BUENOS AIRES
NECOCHEA
PUERTO MONTT
CHACABUCO
PUNTA ARENAS
CABO NEGRO
FLORO
THAMESPORT
FELIXSTOWE
DRAMMEN
HANKO
SHEERNESS
OSLO
HELSINKI
SULLOM VOE
UDDEVALLA
MIDDLESBROUGH
GOTHENBURG
ROTTERDAM
MAZMO
GLASGOW
AMSTERDAM
NEW CASTLE
COPENHAGEN
LIVERPOOL
DUBLIN
BREMERHAVEN
ILFORD
HAMBURG
EMDEN
BRISTOL
LONDON
BREMEN
SOUTHAMPTON
DUSSELDORF
CHERBOURG
LE HAVRE
VIENNA
ZEEBRUGGE
STUTTGART
GENT
ANTWERP
PARIS
BRUSSELS
TRIESTE
LA SPEZIA
KOPER
GENOA
MILANO
SANOVA
LIVORNO
ISTANBUL
BILBAO
FOS
LYON
VIGO
(MARSEILLE)
SANTANDER
BARCELONA
VALENCIA
GIOIA TAURO
LISBON
GIBRALTAR
PIRAEUS
HUELVA
TUNIS
VALETTA
CEUTA
ALGIERS
LIMASSOL
ANNABA
TRIPOLI
BENGHAZI
CASABLANCA
ALEXANDRIA
DAMIETTA
LAS PALMAS
TENERIFE
NOUAKCHOTT
DAKAR
BANJUL
CONAKRY
FREETOWN
MONROVIA
LOME
COTONOU
TEMA
LAGOS
SAN PEDRO
ABIDJAN
BONNY
TAKORADI
DOUALA
LIBREVILLE
POINTE NOIRE
BOMA
PALANCA
MATADI
LUANDA
WALVIS BAY
MAPUTO
JOHANNESBURG
RICHARD'S BAY
DURBAN
SALDANHA BAY
PORT ELIZABETH
CAPE TOWN

Board of Directors

Masaharu Ikuta
Chairman of the Board

Kunio Suzuki
President

Kazuo Sato
Deputy President

Seiji Nakamura
Deputy President

Joji (George) Hayashi
Deputy President

Tokinao Hojo
Senior Managing Director

Hiroyuki Sato
Senior Managing Director

Akimitsu Ashida
Senior Managing Director

Masao Sagara
Senior Managing Director

Kazuaki Konishi
Managing Director

Takeo Shiina
Director (Outside Director)
IBM Japan, Ltd.
Senior Advisor

Toshihiko Fukui
Director (Outside Director)
Former Senior Deputy Governor of The Bank of Japan

Yukiharu Kodama
Director (Outside Director)
Former Administrative Vice-Minister of International Trade and Industry

Corporate Auditors

Kazuo Iwamoto

Nobuyoshi Tateishi

Kazuo Otaki

Kyoichi Sato

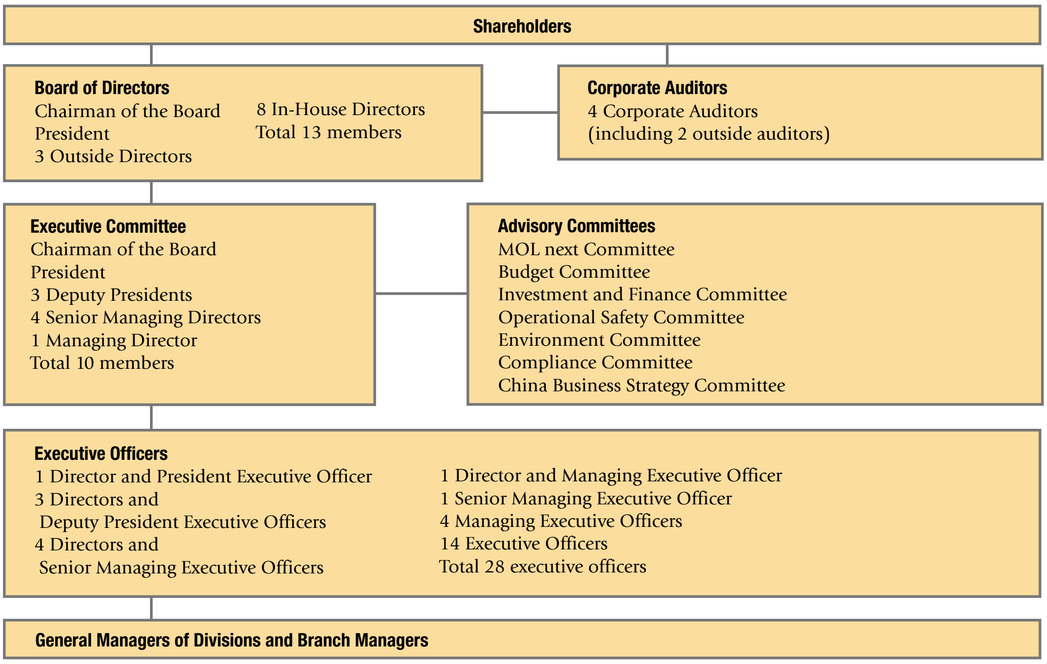
As of June 25, 2002

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 as well as value for shareholders.



President
President Executive Officer
Kunio Suzuki

Deputy President
Deputy President Executive Officer
Kazuo Sato
Assistant to the President
(mainly in non-Liner divisions)
Kansai area

Deputy President
Deputy President Executive Officer
Seiji Nakamura
Assistant to the President
(mainly in administrative divisions)
IR Office

Deputy President
Deputy President Executive Officer
Joji (George) Hayashi
Assistant to the President
(mainly in Liner divisions)

Senior Managing Director
Senior Managing Executive Officer
Tokinao Hojo
Steaming Coal Carrier Division
Tanker Divison
LNG Carrier Divisions (A) and (B)

Senior Managing Director
Senior Managing Executive Officer
Hiroyuki Sato
Liner Division
Logistics Office

Senior Managing Executive Officer
Kenji Machino
Marine Division
Ship Management Division
LNG Ship Management Division
Human Resources Development Office

Senior Managing Director
Senior Managing Executive Officer
Akimitsu Ashida
Corporate Planning Division
Secretaries Office
Public Relations Office
Information Systems Office
Ship Management Division
Internal Auditor
IT Strategies

Senior Managing Director
Senior Managing Executive Officer
Masao Sagara
Coal and Iron Ore Carrier Division
Bulk Carrier Division
Wood Chip Carrier Division

Managing Executive Officer
Kazuki Mori
Liner Marketing
President of Mitsui O.S.K. Lines (Japan), Ltd.

Managing Executive Officer
Yutaka Okamoto
Car Carrier Division
Research Co-operation Office

Managing Executive Officer
Makoto Iwata
LNG Carrier Divisions (A) and (B)

Managing Director
Managing Executive Officer
Kazuaki Konishi
Finance and Accounting Division

Managing Executive Officer
Saburo Koide
Coal and Iron Ore Carrier Division

Executive Officer
Yoshikazu Takahashi
Steaming Coal Carrier Division

Executive Officer
Hidehiro Harada
Chief Executive of Mitsui O.S.K. Lines (Europe) Ltd.

Executive Officer
Masakazu Yakushiji
General Manager of Corporate Planning Division

Executive Officer
Tomonobu Hada
Environment Matters
Technical Division
Ship Management Division
LNG Ship Management Division

Executive Officer
Kenji Yamagami
Bulk Carrier Division

Executive Officer
Makoto Kuroishi
Human Resources Division
General Affairs Division

Executive Officer
Hideyuki Sadamatsu
Managing Director of Mitsui O.S.K. Lines (Asia) Ltd.

Executive Officer
Toshiki Saito
General Manager of Logistics Office

Executive Officer
Toshifumi Kato
Liner Division

Executive Officer
Kazuichi Okai
Associated Business Division

Executive Officer
Akira Yamaji
General Manager of Wood Chip Carrier Division

Executive Officer
Toshihiro Kagami
General Manager of Marine Division

Executive Officer
Masashi Seki
Tanker Division

Executive Officer
Setsuyasu Hagiwara
Car Carrier Division

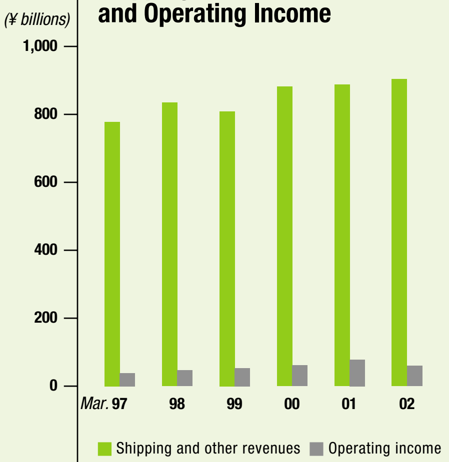
As of June 25, 2002

SIX-YEAR SUMMARY

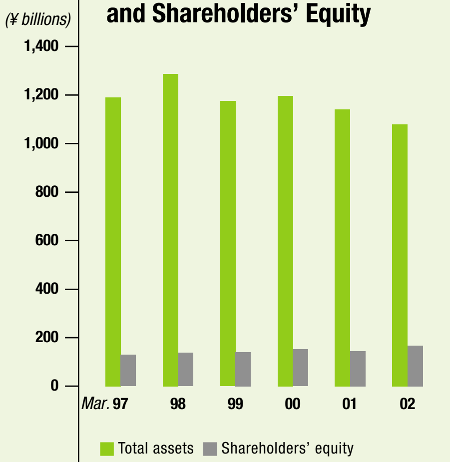
Mitsui O.S.K. Lines, Ltd. Years ended March 31

	Millions of yen					
	2002	2001	2000	1999	1998	1997
For the year:						
Shipping and other revenues	**¥ 903,943**	¥ 887,867	¥ 881,807	¥ 809,161	¥ 834,879	¥ 777,896
Vessel depreciation	**62,238**	64,851	55,112	52,637	62,370	53,597
Other expenses	**699,269**	667,661	690,936	630,405	650,636	610,419
Amortization of consolidation difference	**588**	663	583	563	513	60
Other general and administrative expenses	**82,075**	76,453	73,856	72,019	74,384	75,275
Operating income	**59,773**	78,239	61,320	53,537	46,976	38,545
Equity in earnings of unconsolidated subsidiaries and affiliated companies	**4,426**	3,681	1,403	4,127	3,474	5,024
Income before income taxes	**24,851**	20,860	15,314	15,338	18,064	9,030
Income taxes, current	**(6,101)**	(19,473)	(6,427)	(8,362)	(8,383)	(3,128)
Income taxes, deferred	**(6,633)**	7,709	(529)	–	–	–
Minority interests	**(1,572)**	1,847	(33)	34	(1,258)	170
Net income	**10,545**	10,943	8,325	7,010	8,423	6,072
At year-end:						
Current assets	**251,388**	255,774	239,860	230,996	276,089	250,148
Current liabilities	**375,032**	399,996	412,717	337,417	350,132	301,269
Vessels, property and equipment, at cost	**619,645**	691,307	756,623	753,347	818,579	718,194
Total assets	**1,079,090**	1,140,400	1,196,474	1,174,640	1,286,576	1,190,871
Long-term debt	**475,696**	540,159	598,999	670,363	772,428	735,101
Shareholders' equity	**166,970**	144,355	151,992	140,490	137,692	129,175
Retained earnings	**47,818**	43,433	43,199	37,900	35,102	20,269
Amounts per share of common stock (yen):						
Net income	**8.76**	9.01	6.77	6.33	7.61	5.49
Shareholders' equity	**138.78**	119.88	123.63	126.81	124.28	116.69
Cash dividends	**5.00**	5.00	4.00	4.00	4.00	–

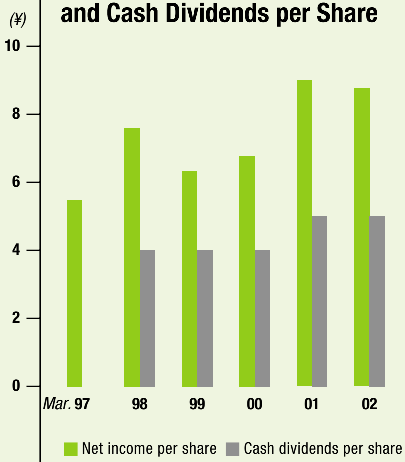
Shipping and Other Revenues and Operating Income



Total Assets and Shareholders' Equity



Net Income and Cash Dividends per Share



CONSOLIDATED BALANCE SHEETS

Mitsui O.S.K. Lines, Ltd. March 31, 2002 and 2001

ASSETS	Millions of yen 2002	Millions of yen 2001	Thousands of U.S. dollars (Note 1) 2002
Current assets:			
Cash and cash equivalents	¥ 39,738	¥ 55,290	$ 298,221
Marketable securities (Note 3)	5,366	9,074	40,270
Trade receivables	97,660	102,995	732,908
Allowance for doubtful accounts	(2,079)	(1,246)	(15,602)
Fuel and supplies	11,488	11,550	86,214
Deferred and prepaid expenses	45,532	41,162	341,704
Deferred tax assets (current) (Notes 2 (13) and 11)	3,101	6,307	23,272
Other current assets	50,582	30,642	379,602
Total current assets	251,388	255,774	1,886,589
Vessels, property and equipment, at cost (Note 5):			
Vessels	1,032,226	1,069,607	7,746,537
Buildings and structures	70,454	69,524	528,735
Equipment, mainly containers	44,853	49,432	336,608
Land	60,907	66,879	457,088
Vessels and other property under construction	20,065	30,157	150,582
	1,228,505	1,285,599	9,219,550
Accumulated depreciation	(608,860)	(594,292)	(4,569,306)
	619,645	691,307	4,650,244
Investments and other assets:			
Investment securities (Notes 3 and 5)	67,110	59,013	503,640
Investments in and advances to unconsolidated subsidiaries and affiliated companies (Note 3)	70,435	60,863	528,593
Long-term money in trust	1,784	1,762	13,388
Consolidation difference	2,569	4,262	19,280
Intangible assets	5,902	10,827	44,293
Deferred tax assets (non-current) (Notes 2 (13) and 11)	4,364	5,215	32,750
Other assets	55,893	51,377	419,460
	208,057	193,319	1,561,404
	¥1,079,090	¥1,140,400	$ 8,098,237

See accompanying notes.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen 2002	Millions of yen 2001	Thousands of U.S. dollars (Note 1) 2002
Current liabilities:			
Short-term bank loans	¥ 80,925	¥ 80,127	$ 607,317
Short-term bonds	8,581	9,946	64,398
Commercial paper	23,000	10,000	172,608
Total short-term debt (Note 5)	112,506	100,073	844,323
Long-term bank loans due within one year	62,815	90,393	471,407
Bonds due within one year	16,702	11,840	125,343
Total long-term debt due within one year (Note 5)	79,517	102,233	596,750
Trade payables	88,519	91,794	664,308
Advances received	53,829	51,751	403,970
Accrued income taxes	1,940	14,675	14,559
Deferred tax liabilities (current) (Notes 2 (13) and 11)	208	387	1,561
Other current liabilities	38,513	39,083	289,028
Total current liabilities	375,032	399,996	2,814,499
Long-term bank loans after one year	421,623	478,938	3,164,150
Bonds after one year	54,073	61,221	405,801
Total long-term debt due after one year (Note 5)	475,696	540,159	3,569,951
Employees' severance and retirement benefits (Note 12)	16,093	18,718	120,773
Deferred tax liabilities (non-current) (Notes 2 (13) and 11)	11,512	3,031	86,394
Other non-current liabilities	30,292	26,781	227,332
Minority interests	3,495	7,360	26,229
Commitments and contingent liabilities (Note 6)			
Shareholders' equity (Note 7)**:**			
Common stock;			
Authorized – 3,154,000,000 shares			
Issued – 1,205,410,445 shares	64,915	64,915	487,167
Additional paid-in capital	43,887	43,887	329,358
Retained earnings	47,818	43,433	358,860
	156,620	152,235	1,175,385
Revaluation reserve for land, net of tax (Note 2 (16))	2,173	–	16,308
Unrealized holding gains on available-for-sale securities, net of tax (Note 2 (5))	11,424	–	85,734
Translation adjustments	(2,609)	(7,595)	(19,580)
Treasury stock, at cost	(638)	(285)	(4,788)
Total shareholders' equity	166,970	144,355	1,253,059
	¥1,079,090	¥1,140,400	$8,098,237

CONSOLIDATED STATEMENTS OF INCOME

Mitsui O.S.K. Lines, Ltd.   Years ended March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	2001	2002
Shipping and other revenues (Note 10)	¥903,943	¥887,867	$6,783,812
Shipping and other expenses (Note 10):			
Vessel depreciation	62,238	64,851	467,077
Other expenses	699,269	667,661	5,247,797
	761,507	732,512	5,714,874
	142,436	155,355	1,068,938
General and administrative expenses:			
Amortization of consolidation difference (Note 2 (1))	588	663	4,413
Other general and administrative expenses	82,075	76,453	615,947
Operating income	59,773	78,239	448,578
Other income (expenses):			
Interest and dividend income	3,372	3,550	25,306
Interest expense	(32,105)	(39,466)	(240,938)
Equity in earnings of affiliated companies	4,426	3,681	33,216
Others, net (Note 8)	(10,615)	(25,144)	(79,662)
	(34,922)	(57,379)	(262,078)
Income before income taxes	24,851	20,860	186,500
Income taxes (Notes 2 (13) and 11):			
Current	(6,101)	(19,473)	(45,786)
Deferred	(6,633)	7,709	(49,779)
Minority interests	(1,572)	1,847	(11,797)
Net income	¥ 10,545	¥ 10,943	$ 79,138

	Yen		U.S. dollars (Note 1)
Amounts per share of common stock:			
Net income	¥8.76	¥9.01	$0.066
Diluted net income	–	–	–
Cash dividends applicable to the year	¥5.00	¥5.00	$0.038

See accompanying notes.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Mitsui O.S.K. Lines, Ltd. Years ended March 31, 2002 and 2001

		Millions of yen						
	Shares of common stock (Thousands)	Common stock	Additional paid-in capital	Retained earnings	Revaluation reserve for land, net of tax	Unrealized holding gains on available-for-sale securities, net of tax	Foreign currency translation adjustments	Treasury stock
Balance at March 31, 2000	1,229,410	¥64,915	¥43,887	¥43,199	–	–	–	–
Due to change in consolidated subsidiaries	–	–	–	(228)	–	–	–	–
Due to change in affiliated companies accounted for by the equity method	–	–	–	(123)	–	–	–	–
Retirement of stock	(24,000)	–	–	(5,304)	–	–	–	–
Net income	–	–	–	10,943	–	–	–	–
Adjustments from translation of foreign currency financial statements	–	–	–	–	–	–	¥(7,595)	–
Treasury stock	–	–	–	–	–	–	–	¥(285)
Dividends paid	–	–	–	(4,918)	–	–	–	–
Bonuses to directors and corporate auditors	–	–	–	(136)	–	–	–	–
Balance at March 31, 2001	**1,205,410**	**¥64,915**	**¥43,887**	**¥43,433**	**–**	**–**	**¥(7,595)**	**¥(285)**
Due to change in consolidated subsidiaries	–	–	–	(11)	–	–	–	–
Due to change in affiliated companies accounted for by the equity method	–	–	–	(22)	–	–	–	–
Net income	–	–	–	10,545	–	–	–	–
Revaluation reserve for land, net of tax	–	–	–	–	¥2,173	–	–	–
Unrealized holding gains on available-for-sale securities, net of tax	–	–	–	–	–	¥11,424	–	–
Adjustments from translation of foreign currency financial statements	–	–	–	–	–	–	4,986	–
Treasury stock	–	–	–	–	–	–	–	(353)
Dividends paid	–	–	–	(6,022)	–	–	–	–
Bonuses to directors and corporate auditors	–	–	–	(105)	–	–	–	–
Balance at March 31, 2002	**1,205,410**	**¥64,915**	**¥43,887**	**¥47,818**	**¥2,173**	**¥11,424**	**¥(2,609)**	**¥(638)**

	Thousands of U.S. dollars (Note 1)						
	Common stock	Additional paid-in capital	Retained earnings	Revaluation reserve for land, net of tax	Unrealized holding gains on available-for-sale securities, net of tax	Foreign currency translation adjustments	Treasury stock
Balance at March 31, 2001	**$487,167**	**$329,358**	**$325,951**	**–**	**–**	**$(56,998)**	**$(2,139)**
Due to change in consolidated subsidiaries	–	–	(83)	–	–	–	–
Due to change in affiliated companies accounted for by the equity method	–	–	(165)	–	–	–	–
Net income	–	–	79,138	–	–	–	–
Revaluation reserve for land, net of tax	–	–	–	$16,308	–	–	–
Unrealized holding gains on available-for-sale securities, net of tax	–	–	–	–	$85,734	–	–
Adjustments from translation of foreign currency financial statements	–	–	–	–	–	37,418	–
Treasury stock	–	–	–	–	–	–	(2,649)
Dividends paid	–	–	(45,193)	–	–	–	–
Bonuses to directors and corporate auditors	–	–	(788)	–	–	–	–
Balance at March 31, 2002	**$487,167**	**$329,358**	**$358,860**	**$16,308**	**$85,734**	**$(19,580)**	**$(4,788)**

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Mitsui O.S.K. Lines, Ltd.   Years ended March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	2001	2002
Cash flows from operating activities:			
Net income before tax	¥ 24,851	¥ 20,860	$ 186,500
Adjustments to reconcile net income before tax to net cash provided by operating activities:			
Depreciation and amortization	68,826	69,825	516,518
Equity in earnings of affiliated companies, net	(4,426)	(3,681)	(33,216)
Loss (Profit) from changes in fair market value of marketable securities	19	(24)	143
Loss on write-down of investment securities	883	1,612	6,627
Loss on write-down of securities issued by subsidiaries and affiliates	233	3,060	1,749
Various provisions (reversals)	(4,149)	12,772	(31,137)
Interest and dividend income	(3,372)	(3,550)	(25,306)
Interest expense	32,105	39,466	240,938
Gain on sale of marketable securities	(24)	(6,281)	(180)
Loss (Gain) on sale of investment securities	5,322	(1,649)	39,940
Loss (Gain) on sale of securities issued by subsidiaries and affiliates	(600)	573	(4,502)
Loss on sale and disposal of tangible fixed assets	137	2,468	1,028
Exchange loss (gain)	(1,657)	2,258	(12,435)
Changes in operating assets and liabilities:			
Trade receivables	4,667	(1,589)	35,024
Fuel and supplies	81	830	607
Trade payables	(1,378)	(1,206)	(10,342)
Other, net	11,375	(2,859)	85,365
Sub total	132,893	132,885	997,321
Cash received for interest and dividend	6,734	3,618	50,537
Cash paid for interest	(33,581)	(37,640)	(252,015)
Cash paid for corporate income tax, resident tax, and enterprise tax	(21,030)	(7,843)	(157,824)
Net cash provided by operating activities	85,016	91,020	638,019
Cash flows from investing activities:			
Purchase of marketable securities	(1,375)	(27,156)	(10,319)
Purchase of investment securities	(10,928)	(2,495)	(82,011)
Proceeds from sale of marketable securities	5,777	36,536	43,355
Proceeds from sale of investment securities	9,890	9,454	74,221
Payments for vessels and other tangible fixed assets	(42,014)	(66,469)	(315,302)
Proceeds from sale of vessels and other tangible fixed assets	79,380	100,264	595,722
Disbursements for loans	(11,414)	(5,946)	(85,659)
Collections of loans receivable	6,241	4,943	46,837
Other	(6,707)	(1,916)	(50,334)
Net cash provided by investing activities	28,850	47,215	216,510
Cash flows from financing activities:			
Net decrease in short-term loans	(3,013)	(18,054)	(22,612)
Net increase in commercial paper	13,000	10,000	97,561
Proceeds from long-term loans	56,357	68,868	422,942
Repayments of long-term loans	(184,841)	(146,659)	(1,387,174)
Proceeds from issuance of bonds	8,788	17,616	65,951
Redemption of bonds	(13,792)	(44,222)	(103,505)
Cash dividends paid by the company	(6,022)	(4,918)	(45,193)
Purchase of treasury stock	(362)	(5,554)	(2,717)
Cash dividends paid to minority interest	(27)	(192)	(203)
Other	(2,100)	(6,795)	(15,759)
Net cash used in financing activities	(132,012)	(129,910)	(990,709)
Effect of exchange rate changes on cash and cash equivalents	2,717	1,293	20,390
Net increase (decrease) in cash and cash equivalents	(15,429)	9,618	(115,790)
Cash and cash equivalents at beginning of year	55,290	45,713	414,934
Net cash decrease from new consolidation/de-consolidation of subsidiaries	(123)	(41)	(923)
Cash and cash equivalents at end of year	¥ 39,738	¥ 55,290	$ 298,221

See accompanying notes.

1. Basis of presenting financial statements

Mitsui O.S.K. Lines, Ltd. (the "Company") and its consolidated domestic subsidiaries maintain their official accounting records in Japanese yen and in accordance with the provisions set forth in the Japanese Commercial Code and accounting principles and practices generally accepted in Japan ("Japanese GAAP"). The accounts of overseas consolidated subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles and practices prevailing in the respective countries of domicile. Certain accounting principles and practices generally accepted in Japan are different from International Accounting Standards and standards in other countries in certain respects as to application and disclosure requirements. Accordingly, the accompanying consolidated financial statements are intended for use by those who are informed about Japanese accounting principles and practices.

The accompanying consolidated financial statements have been restructured and translated into English (with some expanded descriptions and the inclusion of consolidated statements of shareholders' equity) from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Securities and Exchange Law. Some supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers, using the prevailing exchange rate at March 31, 2002, which was ¥133.25 to U.S.$1.00. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. Summary of significant accounting policies

(1) Principles of consolidation

All companies are required to consolidate all significant investees which are controlled through substantial ownership of majority voting rights or existence of certain conditions.

The consolidated financial statements include the accounts of the Company and 286 subsidiaries for the year ended March 31, 2002 (295 subsidiaries for the year ended March 31, 2001). All significant inter-company transactions and accounts have been eliminated.

Investments in affiliated companies (20% to 50% owned and certain others 15% to 20% owned) are accounted for by the equity method. 37 and 36 affiliated companies for the years ended March 31, 2002 and 2001, respectively, were accounted for by the equity method. Investments in other subsidiaries (116 in the year ended March 31, 2002 and 114 in the preceding year) and affiliated companies (93 and 101 in the respective years) were stated at cost since the Company's equity in net income and retained earnings in such companies were not material.

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are recorded based on the fair value at the time the Company acquired control of the respective subsidiaries.

The excess of acquisition cost over net assets acquired is shown as the consolidation difference and amortized over 5 to 14 years.

Amortization of the consolidation difference is included in general and administrative expenses.

(2) Translation of foreign currency

Revenues earned and expenses incurred in currencies other than Japanese yen of the Company and its subsidiaries keeping their books in Japanese yen are translated into Japanese yen either at a monthly exchange rate or at the rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in currencies other than Japanese yen are translated into yen at the exchange rate prevailing at the balance sheet date, except for long-term debt covered with forward exchange contracts, which is translated at the forward contract rates. The gain or loss arising from the difference between the forward contract rate and the historical rate recognized in relation to long-term debt is booked in the balance sheets and amortized over the remaining period of the debt.

Subsidiaries keeping their books in a currency other than Japanese yen translate the revenues and expenses and assets and liabilities in foreign currencies into the currency used for financial reporting in accordance with accounting principles generally accepted in their respective countries.

All the items in financial statements of subsidiaries, which are stated in currencies other than Japanese yen, were translated into Japanese yen at the year-end exchange rate, except for shareholders' equity which is translated at historical rates. Translation differences arising from the application of more than one exchange rate are presented as translation adjustments in the consolidated balance sheets.

(3) Cash and cash equivalents

In preparing the consolidated statements of cash flows, cash on hand, readily-available deposits and short-term highly liquid investments with maturities of not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

(4) Shipping revenues and related expenses

Shipping revenues and the related voyage expenses are recognized mainly by the completed-voyage method. Payments received for uncompleted voyages are included in "Advances received" and the related voyage expenses are included in "Deferred and prepaid expenses" in the balance sheets.

(5) Securities

Securities are classified into (a) securities held for trading purposes (hereafter, "trading securities"), (b) debt securities intended to be held to maturity (hereafter, "held-to-maturity debt securities"), (c) equity securities issued by subsidiaries and affiliated companies, or (d) for all other securities that are not classified in any of the above categories (hereafter, "available-for-sale securities").

Trading securities are stated at fair market value. Gains and losses realized on disposal and unrealized gains and losses from market value fluctuations are recognized as gains or losses in the period of the change. Held-to-maturity debt securities are stated at amortized cost. At March 31, 2001, available-for-sale securities were stated at moving-average costs. Effective April 1, 2001, in conformity to the new Japanese accounting standard for financial instruments, available-for-sale securities with fair market values are stated at fair market values, and the corresponding unrealized holding gains or losses, net of applicable income taxes, are reported as a separate component of shareholders' equity.

Equity securities issued by subsidiaries and affiliated companies which are not consolidated or accounted for using the equity method are stated at moving-average cost.

Debt securities with no available fair market value are stated at amortized cost, net of the amount considered not collectible. Other securities with no available fair market value are stated at moving-average cost.

If the market value of held-to-maturity debt securities, equity securities issued by unconsolidated subsidiaries and affiliated companies, and available-for-sale securities, declines significantly, such securities are stated at fair market value and the difference between fair market value and the carrying amount is recognized as loss in the period of the decline. If the fair market value of equity securities issued by unconsolidated subsidiaries and affiliated companies not on the equity method is not readily available, such securities should be written down to net asset value with a corresponding charge in the income statement in the event net asset value declines significantly. In these cases, such fair market value or the net asset value will be the carrying amount of the securities at the beginning of the next year.

As a result of adopting the new accounting standards for market valuation for available-for-sale securities, investment securities, other assets, deferred tax assets, deferred tax liabilities, and minority interests amounting to ¥17,943 million ($134,657 thousand), ¥33 million ($248 thousand), ¥23 million ($173 thousand), ¥6,345 million ($47,618 thousand), and ¥230 million ($1,726 thousand), respectively, are included in the consolidated balance sheets at March 31, 2002. Also, ¥11,424 million ($85,734 thousand) of net unrealized holding gains on available-for-sale securities are included as a separate component of shareholders' equity, at March 31, 2002.

(6) Fuel and supplies

Fuel and supplies are stated principally at cost determined by the moving-average method.

(7) Depreciation of vessels, property and equipment

Depreciation of vessels and buildings is computed mainly by the straight-line method. Depreciation of other property and equipment is computed by the declining-balance method. Estimated useful lives are mainly as follows:

Vessels	13 - 20 years
Containers	7 years

(8) Amortization of bond issue expense

Bond issue expense is charged to income as incurred.

(9) Interest capitalization

In cases where a vessel's construction period is long and the amount of interest accruing during this period is significant, such interest expenses are capitalized as a part of the acquisition cost.

(10) Allowance for doubtful accounts

Allowance for doubtful accounts is provided in an amount sufficient to cover probable losses on collection. It consists of the estimated uncollectible amount with respect to certain identified doubtful receivables and an amount calculated using the actual percentage of the Company's collection losses.

(11) Employees' severance and retirement benefits

The Company has tax-qualified pension plans for employees engaged in shore and sea services. Employees engaged in sea service who retire prior to a certain age are also entitled to a lump-sum payment. Some subsidiaries have tax-qualified pension plans which cover all or a part of the retirement benefits and some other subsidiaries have established reserves for a lump-sum payment for retirement benefits.

Under the new accounting standards for employees' severance and retirement benefits adopted on April 1, 2000, liabilities and expenses for employees' severance and retirement benefits are determined based on the amounts actually calculated using certain assumptions.

The Company and its consolidated subsidiaries provided allowance for employees' severance and retirement benefits at March 31, 2002 and 2001 based on the estimated amounts of projected benefit obligation and the fair value of the plan assets at those dates.

The excess of the projected benefit obligation over the total of the fair value of pension assets as of April 1, 2000 and the liabilities for employees' severance and retirement benefits recorded as of April 1, 2000 (the "net transition obligation") amounted to ¥23,809 million, of which ¥11,648 million was recognized as an expense as a result of the contribution of investment securities worth ¥16,212 million to the employee retirement benefit trust in August 2000. The remaining net transition obligation amounting to ¥12,161 million was also recognized as an expense in the year ended March 31, 2001.

Actuarial gains and losses are recognized in expenses using the straight-line method over the average of the estimated remaining service lives of mainly 10 years commencing with the following period.

(12) Accounting for certain lease transactions

Finance leases which do not transfer ownership to lessees are accounted for as operating leases under accounting principles generally accepted in Japan.

(13) Income taxes

The Company and its subsidiaries recognize tax effects of temporary differences between the financial statement basis and the tax basis of assets and liabilities. The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences (See Note 11).

(14) Amounts per share of common stock

Net income per share of common stock is computed based upon the weighted-average number of shares outstanding during the year.

Diluted net income per share is computed based on the weighted-average number of shares of common stock and contingent issuances of common stock from convertible bonds.

Cash dividends per share shown in the 2002 column represent the amount payable to shareholders as of March 31, 2002.

(15) Derivatives and hedge accounting

Companies are required to state derivative financial instruments at fair value and to recognize changes in the fair value as gains or losses unless derivative financial instruments are used for hedging purposes.

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Company and its consolidated subsidiaries defer recognition of gains or losses resulting from changes in fair value of derivative financial instruments until the related losses or gains on the hedged items are recognized.

However, in cases where forward foreign exchange contracts are used as hedges and meet certain hedging criteria, forward foreign exchange contracts and hedged items are accounted for in the following manner:

1. If a forward foreign exchange contract is executed to hedge an existing foreign currency receivable or payable,
   (a) the difference, if any, between the Japanese yen amount of the hedged foreign currency receivable or payable translated using the spot rate at the inception date of the contract and the book value of the receivable or payable is recognized in the income statement in the period which includes the inception date, and
   (b) the discount or premium on the contract (that is, the difference between the Japanese yen amount of the contract translated using the contracted forward rate and that translated using the spot rate at the inception date of the contract) is recognized over the term of the contract.
2. If a forward foreign exchange contract is executed to hedge a future transaction denominated in a foreign currency, the future transaction will be recorded using the contracted forward rate, and no gains or losses on the forward foreign exchange contract are recognized.

Also, if interest rate swap contracts are used as hedging and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contact was executed.

The following summarizes hedging derivative financial instruments used by the Company and its consolidated subsidiaries and items hedged:

Hedging instruments:	Hedged items:
Loans in foreign currencies	Foreign currency transactions
Forward foreign exchange contracts	Foreign currency transactions
Currency swap contracts	Foreign currency loans payable
Interest rate swap contracts	Interest on loans and bonds payable

The derivative transactions are executed and managed by the Company in accordance with the established policies in order to hedge the Group’s exposure to interest rate increases and currency exchange fluctuations.

The Company evaluates hedge effectiveness semi-annually by comparing the cumulative changes in cash flows from or the changes in fair value of hedged items and the cumulative changes in cash flows from or the changes in fair value of hedging instruments.

(16) Revaluation reserve for land, net of tax

Pursuant to Article 2, Paragraphs 3 and 5 of the Enforcement Ordinance for the Law Concerning Revaluation Reserve for Land (effective March 31, 1998) (“Law”) and related revision of the Law on March 31, 2001, Daibiru Corporation, an affiliated company accounted for by the equity method, revalued land used for business. Due to revaluation of land, the revaluation difference, net of applicable income taxes of ¥2,173 million ($16,308 thousand), which corresponds to the Company’s equity, is accounted for as revaluation reserve for land, net of tax in shareholders’ equity. Also, investments in and advances to unconsolidated subsidiaries and affiliated companies increased by the same amount.

(17) Reclassifications

Certain prior year amounts have been reclassified to conform to the 2002 presentation. These changes had no impact on previously reported results of operations or cash flows or shareholders’ equity.

3. Securities

A. The following tables summarize acquisition costs, book values and fair value of securities with available fair values as of March 31, 2002 and 2001:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
(a) Trading securities:			
Book value	¥ 4	¥3,202	$ 30
Amount of net unrealized gains or losses included in the income statement	(19)	23	(143)

(b) Held-to-maturity debt securities:

There were no securities with available fair values exceeding book values as of March 31, 2002 and 2001.

Securities with available fair values not exceeding book values

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Book value	¥40	¥35	$300
Fair value	40	35	300
Difference	0	0	0

(c) Available-for-sale securities:

Securities with book values exceeding acquisition costs at March 31, 2002

	Millions of yen		
Type	Acquisition cost	Book value	Difference
Equity securities	¥19,285	¥40,893	¥21,608
Bonds	313	321	8
Others	115	137	22
Total	¥19,713	¥41,351	¥21,638

	Thousands of U.S. dollars		
Type	Acquisition cost	Book value	Difference
Equity securities	$144,728	$306,889	$162,161
Bonds	2,349	2,409	60
Others	863	1,028	165
Total	$147,940	$310,326	$162,386

Securities with book values not exceeding acquisition costs at March 31, 2002

	Millions of yen		
Type	Acquisition cost	Book value	Difference
Equity securities	¥14,900	¥ 9,680	¥(5,220)
Bonds	3,161	3,160	(1)
Others	2,790	2,790	–
Total	¥20,851	¥15,630	¥(5,221)

	Thousands of U.S. dollars		
Type	Acquisition cost	Book value	Difference
Equity securities	$111,820	$ 72,646	$(39,174)
Bonds	23,722	23,715	(7)
Others	20,938	20,938	0
Total	$156,480	$117,299	$(39,181)

B. The following tables summarize book values of securities with no available fair value as of March 31, 2002 and 2001:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
(a) Held-to-maturity debt securities:			
Type	Book value		Book value
Others	¥ 127	–	$ 953
(b) Available-for-sale securities:			
Type	Book value		Book value
Non-listed equity securities	¥12,418	¥13,853	$ 93,193
Non-listed foreign equity securities	1,002	1,500	7,520
Others	1,904	1,500	14,289
Total	¥15,324	¥16,853	$115,002

C. Available-for-sale securities with maturities and held-to-maturity debt securities are as follows:

For the year ended March 31, 2002:	Millions of yen				
Type	Within one year	Over one year but within five years	Over five years but within ten years	Over ten years	Total
Securities:					
Government bonds	¥ 1	–	–	–	¥ 1
Corporate bonds	126	¥217	–	–	343
Others	26	–	–	–	26
Others:					
Mutual fund	1	61	¥73	–	135
Total	¥154	¥278	¥73	–	¥505

For the year ended March 31, 2001:	Millions of yen				
Type	Within one year	Over one year but within five years	Over five years but within ten years	Over ten years	Total
Securities:					
Government bonds	–	¥ 15	–	–	¥ 15
Corporate bonds	–	–	–	–	–
Others	¥30	337	¥550	–	917
Others:					
Mutual fund	–	45	90	–	135
Total	¥30	¥397	¥640	–	¥1,067

For the year ended March 31, 2002:	Thousands of U.S. dollars				
Type	Within one year	Over one year but within five years	Over five years but within ten years	Over ten years	Total
Securities:					
Government bonds	$ 8	–	–	–	$ 8
Corporate bonds	946	$1,629	–	–	2,575
Others	195	–	–	–	195
Others:					
Mutual fund	8	458	$548	–	1,014
Total	$1,157	$2,087	$548	–	$3,792

D. There were no held-to-maturity debt securities sold in the years ended March 31, 2002 and 2001.

E. Total sales of available-for-sale securities sold in the years ended March 31, 2002 and 2001 and the related gains and losses are as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Proceeds from sales	¥12,683	¥12,867	$95,182
Gross realized gains	620	2,115	4,653
Gross realized losses	5,946	242	44,623

F. In August, 2000, the Company contributed, receiving no cash, certain investment securities to its employee retirement benefit trust. The market value of the contributed securities at the time of contribution was ¥16,212 million.

Upon contribution of these securities, a "gain on securities contributed to employee retirement benefit trust" amounting to ¥11,648 million was recognized.

4. Derivative transactions

The Group enters into derivative transactions and forward currency exchange contracts mainly to hedge the Group's exposure to interest rate increases and currency exchange rate fluctuations, in accordance with the guidance determined by the management of the company.

The following tables summarize the outstanding contract amounts and unrealized gains or losses of financial derivatives of the Group at March 31, 2002, for which hedge accounting has not been applied.

The outstanding contract amounts or unrealized gains or losses of financial derivatives of the Group at March 31, 2001 are not shown herein, as the Group applied hedge accounting to all derivative transactions for the year ended March 31, 2001.

	Millions of yen	Thousands of U.S. dollars
(1) Currency related		
Forward currency exchange contracts		
Sell (U.S. dollar):		
Contracts outstanding	¥1,331	$9,989
Unrealized loss	(122)	(916)

	Millions of yen	Thousands of U.S. dollars
(2) Interest related		
Interest rate swaps:		
Receive floating, pay fixed		
Contracts outstanding	¥7,482	$56,150
Unrealized loss	(274)	(2,056)
Receive fixed, pay floating		
Contracts outstanding	¥7,423	$55,707
Unrealized gain	263	1,974

Notes: 1. In calculating market values in Japanese yen at the end of the fiscal year, forward exchange rates, prevailing at the end of the year, for the same values of the respective contracts are used.
2. Market values of interest swaps at the end of the fiscal year are calculated using prices of the contracts at the end of the year quoted by the financial institutions or trading houses with which the relevant transactions were closed.

5. Short-term debt and long-term debt

(1) Short-term debt

Short-term debt at March 31, 2002 (¥112,506 million: $844,323 thousand) and 2001 (¥100,073 million) were principally unsecured. The interest rates on short-term debt were set on a floating rate basis.

(2) Long-term debt

Long-term debt at March 31, 2002 and 2001 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Bonds:			
1.450% yen bonds due 2001	–	¥ 5,000	–
1.750% yen bonds due 2002	¥ 1,000	1,000	$ 7,505
2.350% yen bonds due 2002	10,000	10,000	75,047
2.750% yen bonds due 2004	10,000	10,000	75,047
3.025% yen bonds due 2006	10,000	10,000	75,047
3.075% yen bonds due 2007	10,000	10,000	75,047
3.250% yen bonds due 2009	10,000	10,000	75,047
Floating rate yen notes due 2002	1,000	1,000	7,505
Floating/fixed rate yen notes due 2001	–	1,000	–
Floating/fixed rate Euro medium term notes due 2001–2009	18,775	15,061	140,900
Secured loans from:			
Japan Development Bank due through 2015 at interest rates of 1.20% to 8.50%	95,909	108,569	719,767
Other financial institutions due through 2033 at interest rates of 0.28% to 8.05%	291,317	375,505	2,186,243
Unsecured loans from:			
Japan Development Bank due through 2015 at interest rate of 1.25%	2,200	–	16,510
Other financial institutions due through 2009 at interest rates of 0.23% to 7.78%	95,012	85,257	713,036
	555,213	642,392	4,166,701
Amount due within one year	79,517	102,233	596,750
	¥475,696	¥540,159	$3,569,951

At March 31, 2002, the aggregate annual maturity of long-term debt were as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2003	¥ 79,517	$ 596,750
2004	102,583	769,854
2005	86,320	647,805
2006	66,167	496,563
2007	85,087	638,552
2008 and thereafter	135,539	1,017,178
	¥555,213	$4,166,702

At March 31, 2002, the following assets were pledged as collateral for short-term debt and long-term debt.

Assets pledged	Millions of yen	Thousands of U.S. dollars
Vessels	¥395,523	$2,968,278
Buildings and structures	10,320	77,448
Land	7,793	58,484
Investment securities	56,157	421,441
	¥469,793	$3,525,651

Secured debt	Millions of yen	Thousands of U.S. dollars
Short-term debt	¥ 3,236	$ 24,285
Long-term debt due within one year	45,720	343,114
Long-term debt	341,506	2,562,897
	¥390,462	$2,930,296

6. Commitments and contingent liabilities

At March 31, 2002, the Company and its consolidated subsidiaries were contingently liable mainly as guarantors or co-guarantors of indebtedness of related and other companies in the aggregate amount of ¥128,623 million ($965,276 thousand).

The BGT project is operated by subsidiaries, which have their own corporate bodies, legally independent of the Company. The assets of the BGT eight LNG carrier transportation project are held in several subsidiaries of the Company, which have their own creditors.

7. Shareholders' equity

Under the Commercial Code of Japan (the "Code"), at least 50% of the issue price of new shares, with a minimum of the par value thereof, is required to be designated as stated capital. The portion which is to be designated as stated capital is determined by resolution of the Board of Directors. Proceeds in excess of the amounts designated as stated capital are credited to additional paid-in capital.

Effective October 1, 2001, the Code provides that an amount equal to at least 10% of cash dividends and other cash appropriations shall be appropriated and set aside as a legal reserve until the total amount of legal reserve and additional paid-in capital equals 25% of common stock. The legal reserve and additional paid-in capital may be used to eliminate or reduce a deficit by resolution of the shareholders' meeting or may be capitalized by resolution of the Board of Directors. On condition that the total amount of legal reserve and additional paid-in capital remains being equal to or exceeding 25% of common stock, they are available for distributions and certain other purposes by the resolution of shareholders' meeting. The legal reserve is included in the retained earnings in the accompanying consolidated financial statements.

Year-end dividends are approved by the shareholders at a meeting held subsequent to the fiscal year to which the dividend is applicable (See Note 13). The maximum amount that the Company can distribute as dividends is calculated based on the unconsolidated financial statements of the Company in accordance with the Code. In addition, semi-annual interim dividend may be paid upon resolution of the Board of Directors, subject to limitations imposed by the Code.

The ordinary General Meeting of Shareholders of the Company held on June 25, 2002, approved that (a) the Company may acquire up to 20 million outstanding shares of its common stock up to the aggregate purchase price of ¥6,000 million ($45,028 thousand) and (b) the Company may grant up to 1,700 thousand share subscription rights of its common stock to directors and key employees in accordance with the Code.

8. Other income (expenses): others, net – Breakdown

	Millions of yen		Thousands of U.S. dollars
	2002	2001	**2002**
Others, net:			
Gain on sale of marketable securities	**¥ 24**	¥ 6,281	**$ 180**
Exchange gain (loss), net	**764**	(2,258)	**5,734**
Gain on sale of vessels, investment securities and others	**6,369**	14,701	**47,797**
Loss on cancellation of vessel charters	**(353)**	(1,456)	**(2,649)**
Loss on sale and disposal of vessels, investment securities and others	**(11,229)**	(17,308)	**(84,270)**
Loss arising from dissolution of subsidiaries and affiliated companies	**(88)**	(128)	**(660)**
Loss on write-down of securities and other investments	**(1,116)**	(4,711)	**(8,375)**
Provision for doubtful accounts	**(1,095)**	(139)	**(8,218)**
Special retirement	**(960)**	(1,511)	**(7,205)**
Gain on securities contributed to employee retirement benefit trust	**–**	11,648	**–**
Amortization of net transition obligation	**–**	(23,809)	**–**
Provision for loss on the liquidation and integration of subsidiaries	**(920)**	(5,735)	**(6,904)**
Loss on withdrawal from resort business	**(1,485)**	–	**(11,145)**
Sundries	**(526)**	(719)	**(3,947)**
Total	**¥(10,615)**	¥(25,144)	**$(79,662)**

9. Leases

As lessee:

(A) Information on finance leases accounted for as operating leases:

(1) A summary of assumed amounts of acquisition cost, accumulated depreciation and net book value at March 31, 2002 of finance leases that do not transfer ownership to the lessee is as follows:

	Millions of yen			
	Vessels	Property and equipment	Other	Total
Acquisition cost	¥2,746	¥38,224	¥562	¥41,532
Accumulated depreciation	931	27,491	377	28,799
Net book value	¥1,815	¥10,733	¥185	¥12,733

	Thousands of U.S. dollars			
	Vessels	Property and equipment	Other	Total
Acquisition cost	$20,608	$286,859	$4,218	$311,685
Accumulated depreciation	6,987	206,311	2,829	216,127
Net book value	$13,621	$ 80,548	$1,389	$ 95,558

(2) Future lease payments inclusive of interest at March 31, 2002

	Millions of yen	Thousands of U.S. dollars
Amount due within one year	¥ 4,365	$ 32,758
Amount due after one year	15,386	115,467
Total	¥19,751	$148,225

(3) Lease payments, Depreciation equivalent and Interest equivalent

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Lease payments	¥5,948	¥6,701	$44,638
Depreciation equivalent	3,939	3,995	29,561
Interest equivalent	711	579	5,336

(4) Calculation of depreciation equivalent

Assumed depreciation amounts are computed using the straight-line method over the lease terms assuming no residual value.

(5) Calculation of interest equivalent

The balance between total lease payments and acquisition cost equivalents were regarded as amounts representing interest payable equivalents and were allocated to each period using the interest method.

(B) Future lease payments under operating leases at March 31, 2002:

	Millions of yen	Thousands of U.S. dollars
Amount due within one year	¥ 33,265	$ 249,644
Amount due after one year	228,325	1,713,508
Total	¥261,590	$1,963,152

As lessor:

(A) Information on finance leases accounted for as operating leases:

(1) A summary of acquisition cost, accumulated depreciation and net book value at March 31, 2002 of finance leases that do not transfer ownership to the lessee is as follows:

	Millions of yen		
	Property and equipment	Other	Total
Acquisition cost	¥117	¥492	¥609
Accumulated depreciation	63	334	397
Net book value	¥ 54	¥158	¥212

	Thousands of U.S. dollars		
	Property and equipment	Other	Total
Acquisition cost	$878	$3,692	$4,570
Accumulated depreciation	473	2,507	2,980
Net book value	$405	$1,185	$1,590

(2) Future lease income inclusive of interest at March 31, 2002

	Millions of yen	Thousands of U.S. dollars
Amount due within one year	¥102	$ 765
Amount due after one year	263	1,974
Total	¥365	$2,739

(3) Lease income, Depreciation and Interest equivalent

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Lease income	¥117	¥217	$878
Depreciation	117	266	878
Interest equivalent	13	21	98

(4) Calculation of interest equivalent

The balances between total lease income and acquisition costs equivalent were regarded as amounts representing interest receivable equivalents and were allocated to each period using the interest method.

(B) Future lease income under operating leases at March 31, 2002:

	Millions of yen	Thousands of U.S. dollars
Amount due within one year	¥116	$ 871
Amount due after one year	260	1,951
Total	¥376	$2,822

10. Segment information

(A) Business segment information:

For the year ended March 31, 2002:	Overseas shipping	Ferry/ domestic shipping	Shipping agent and harbor/ terminal operation	Cargo forwarding and warehousing	Others	Elimination	Consolidated
	Millions of yen						
1. Revenues							
(1) Revenues from customers, unconsolidated subsidiaries and affiliated companies	¥737,987	¥29,787	¥41,315	¥44,562	¥ 50,292	¥ –	¥ 903,943
(2) Inter-segment revenues	6,797	2,927	37,970	597	19,083	(67,374)	–
Total revenues	744,784	32,714	79,285	45,159	69,375	(67,374)	903,943
2. Operating expenses	686,111	33,716	78,080	45,496	66,760	(65,993)	844,170
Operating income (loss)	¥ 58,673	¥ (1,002)	¥ 1,205	¥ (337)	¥ 2,615	¥ (1,381)	¥ 59,773
3. Assets, Depreciation and Capital expenditures:							
(1) Assets	¥900,631	¥33,147	¥53,810	¥24,490	¥182,624	¥(115,612)	¥1,079,090
(2) Depreciation	60,818	2,940	2,660	728	1,680	–	68,826
(3) Capital expenditures	28,817	5,922	6,720	1,713	569	–	43,741

For the year ended March 31, 2001:	Overseas shipping	Ferry/ domestic shipping	Shipping agent and harbor/ terminal operation	Cargo forwarding and warehousing	Others	Elimination	Consolidated
	Millions of yen						
1. Revenues							
(1) Revenues from customers, unconsolidated subsidiaries and affiliated companies	¥714,153	¥33,629	¥43,276	¥52,093	¥ 44,716	¥ –	¥ 887,867
(2) Inter-segment revenues	6,705	3,160	37,100	753	18,826	(66,544)	–
Total revenues	720,858	36,789	80,376	52,846	63,542	(66,544)	887,867
2. Operating expenses	646,840	36,850	77,054	52,200	60,632	(63,948)	809,628
Operating income (loss)	¥ 74,018	¥ (61)	¥ 3,322	¥ 646	¥ 2,910	¥ (2,596)	¥ 78,239
3. Assets, Depreciation and Capital expenditures:							
(1) Assets	¥946,033	¥53,308	¥51,509	¥27,932	¥185,106	¥(123,488)	¥1,140,400
(2) Depreciation	61,281	3,728	2,350	653	1,813	–	69,825
(3) Capital expenditures	61,723	811	4,589	850	725	–	68,698

For the year ended March 31, 2002:	Thousands of U.S. dollars Overseas shipping	Ferry/ domestic shipping	Shipping agent and harbor/ terminal operation	Cargo forwarding and warehousing	Others	Elimination	Consolidated
1. Revenues							
(1) Revenues from customers, unconsolidated subsidiaries and affiliated companies	$5,538,364	$223,542	$310,056	$334,424	$ 377,426	$ –	$6,783,812
(2) Inter-segment revenues	51,009	21,966	284,953	4,480	143,213	(505,621)	–
Total revenues	5,589,373	245,508	595,009	338,904	520,639	(505,621)	6,783,812
2. Operating expenses	5,149,051	253,028	585,966	341,433	501,013	(495,257)	6,335,234
Operating income (loss)	$ 440,322	$ (7,520)	$ 9,043	$ (2,529)	$ 19,626	$ (10,364)	$ 448,578
3. Assets, Depreciation and Capital expenditures:							
(1) Assets	$6,758,957	$248,758	$403,827	$183,790	$1,370,537	$(867,632)	$8,098,237
(2) Depreciation	456,420	22,064	19,963	5,463	12,608	–	516,518
(3) Capital expenditures	216,263	44,443	50,431	12,856	4,270	–	328,263

(B) Geographical segment information:

Each segment covers the following countries or regions;

North America: U.S.A. and Canada
Europe: U.K., the Netherlands and other European countries
Asia: The Middle and Near East, South-West Asia, South-East Asia, East Asia
Others: Central and South America, Africa, Australia and other countries

Revenues of a segment are revenues, wherever they may be earned, of companies registered in countries in the segment except for revenues earned by companies registered in such countries as Panama and Liberia (FOC companies) solely for the purpose of owning ships under charter to the Company and/or its subsidiaries in Japan. The FOC companies are deemed to be companies registered in Japan in this segment information for convenience.

Expenses of a segment are expenses wherever they may be incurred to earn revenues at companies registered in countries in the segment.

Assets of a segment are assets possessed by companies registered in countries in the segment, except for assets including ships of FOC companies which are treated as Japanese companies.

For the year ended March 31, 2002:	Millions of yen Japan	North America	Europe	Asia	Others	Elimination	Consolidated
1. Revenues							
(1) Revenues from customers, unconsolidated subsidiaries and affiliated companies	¥ 839,623	¥44,974	¥ 8,496	¥10,780	¥ 70	¥ –	¥ 903,943
(2) Inter-segment revenues	1,177	7,695	2,352	14,723	1,053	(27,000)	–
Total revenues	840,800	52,669	10,848	25,503	1,123	(27,000)	903,943
2. Operating expenses	785,456	48,253	10,681	24,886	1,232	(26,338)	844,170
Operating income (loss)	¥ 55,344	¥ 4,416	¥ 167	¥ 617	¥ (109)	¥ (662)	¥ 59,773
3. Assets	¥1,003,252	¥34,933	¥98,527	¥15,123	¥1,533	¥(74,278)	¥1,079,090

For the year ended March 31, 2001:	Japan	North America	Europe	Asia	Others	Elimination	Consolidated
	Millions of yen						
1. Revenues							
(1) Revenues from customers, unconsolidated subsidiaries and affiliated companies	¥ 828,939	¥43,845	¥ 6,349	¥ 8,649	¥ 85	¥ –	¥ 887,867
(2) Inter-segment revenues	1,211	8,721	2,510	13,854	1,048	(27,344)	–
Total revenues	830,150	52,566	8,859	22,503	1,133	(27,344)	887,867
2. Operating expenses	754,042	50,601	8,552	21,824	1,207	(26,598)	809,628
Operating income (loss)	¥ 76,108	¥ 1,965	¥ 307	¥ 679	¥ (74)	¥ (746)	¥ 78,239
3. Assets	¥1,082,416	¥28,391	¥80,798	¥13,488	¥1,722	¥(66,415)	¥1,140,400

For the year ended March 31, 2002:	Japan	North America	Europe	Asia	Others	Elimination	Consolidated
	Thousands of U.S. dollars						
1. Revenues							
(1) Revenues from customers, unconsolidated subsidiaries and affiliated companies	$6,301,111	$337,516	$ 63,759	$ 80,901	$ 525	$ –	$6,783,812
(2) Inter-segment revenues	8,833	57,749	17,651	110,492	7,902	(202,627)	–
Total revenues	6,309,944	395,265	81,410	191,393	8,427	(202,627)	6,783,812
2. Operating expenses	5,894,604	362,124	80,157	186,762	9,246	(197,659)	6,335,234
Operating income (loss)	$ 415,340	$ 33,141	$ 1,253	$ 4,631	$ (819)	$ (4,968)	$ 448,578
3. Assets	$7,529,096	$262,161	$739,415	$113,493	$11,505	$(557,433)	$8,098,237

(C) International business information:

For the year ended March 31, 2002:	North America	Europe	Asia	Others	Total
	Millions of yen				
1. International revenue	¥230,423	¥113,734	¥201,933	¥219,986	¥766,076
2. Consolidated revenue	–	–	–	–	¥903,943
3. Ratio of international revenue to consolidated revenue	25.5%	12.6%	22.3%	24.3%	84.7%

Segmentation is made from the perspective of geographical closeness and identity. Geographical areas belonging to the segments are as follows:

North America: U.S.A. and Canada
Europe: U.K., the Netherlands and other European countries
Asia: The Middle and Near East, South-West Asia, South-East Asia, East Asia
Others: Central and South America, Africa, Australia and other countries

Revenues from international business mainly consist of ocean-going vessel and voyage revenues.

For the year ended March 31, 2001:	North America	Europe	Asia	Others	Total
	Millions of yen				
1. International revenue	¥216,646	¥123,853	¥171,732	¥239,977	¥752,208
2. Consolidated revenue	–	–	–	–	¥887,867
3. Ratio of international revenue to consolidated revenue	24.4%	13.9%	19.3%	27.0%	84.7%

For the year ended March 31, 2002:	North America	Europe	Asia	Others	Total
	Thousands of U.S. dollars				
1. International revenue	$1,729,253	$853,538	$1,515,445	$1,650,927	$5,749,163
2. Consolidated revenue	–	–	–	–	$6,783,812
3. Ratio of international revenue to consolidated revenue	25.5%	12.6%	22.3%	24.3%	84.7%

11. Income taxes

The company is subject to a number of taxes based on income, which, in the aggregate, indicate statutory rates in Japan of approximately 38% for the years ended March 31, 2002 and 2001.

The following table summarizes the significant differences between the statutory tax rate and the Company's effective tax rate for financial statement purposes for the years ended March 31, 2002 and 2001.

	2002	2001
Statutory tax rate	38.0%	38.0%
Non-taxable entertainment expenses	10.3	11.1
Non-taxable dividend income	(4.2)	(4.7)
Valuation allowance	(1.5)	6.7
Amortization of the consolidation difference	2.4	–
Others	6.2	5.3
Effective tax rate	51.2%	56.4%

Significant components of the Company's deferred tax assets and liabilities as of March 31, 2002 and 2001 were as follows :

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Deferred tax assets:			
Excess bad debt expenses	¥ 900	¥ 558	$ 6,754
Excess reserve for bonuses expenses	1,119	777	8,398
Excess retirement benefits expenses	5,796	3,056	43,497
Excess retirement allowances for officers	274	464	2,056
Write-down of securities and other investments	1,029	3,124	7,722
Operating loss carried forward	2,207	2,247	16,563
Accrued business tax and business place tax	45	482	338
Excess provision for loss on loan guarantee	–	3,453	–
Loss on withdrawal from resort business	564	–	4,233
Unrealized gain on sale of fixed assets	449	1,261	3,370
Others	3,080	2,483	23,114
Total deferred tax assets	15,463	17,905	116,045
Valuation allowance	(2,663)	(3,026)	(19,985)
Net deferred tax assets	12,800	14,879	96,060
Deferred tax liabilities:			
Reserve deductible for tax purposes when appropriated for deferred gain on real properties	(1,041)	(1,107)	(7,812)
Reserve deductible for tax purposes when appropriated for special depreciation	(4,428)	(5,660)	(33,231)
Unrealized holding gains on available-for-sale securities	(6,345)	–	(47,618)
Gain on securities contributed to employee retirement benefit trust	(4,426)	–	(33,216)
Others	(815)	(8)	(6,116)
Total deferred tax liabilities	(17,055)	(6,775)	(127,993)
Net deferred tax assets (liabilities)	¥ (4,255)	¥ 8,104	$ (31,933)

12. Employees' severance and pension benefits

The liabilities for severance and retirement benefits included in the liability section of the consolidated balance sheets as of March 31, 2002 and 2001 consist of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Projected benefit obligation	¥ 63,643	¥ 64,083	$ 477,621
Unrecognized actuarial differences	(3,826)	419	(28,713)
Prepaid pension expenses	9,324	6,399	69,974
Less fair value of pension assets	(53,048)	(52,183)	(398,109)
Liability for severance and retirement benefits	¥ 16,093	¥ 18,718	$ 120,773

Included in the consolidated statement of income for the years ended March 31, 2002 and 2001 are severance and retirement benefit expenses, which comprise the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Service costs – benefits earned during the year	¥3,543	¥ 4,732	$26,589
Interest cost on projected benefit obligation	1,346	1,320	10,101
Expected return on plan assets	(819)	(631)	(6,146)
Amortization of net transition obligation	–	23,809	–
Amortization of actuarial differences	16	–	120
Severance and retirement benefit expenses	¥4,086	¥29,230	$30,664

The discount rate and the rate of expected return on plan assets for the years ended March 31, 2002 and 2001 used by the Company are 2.5% and 3.0%, respectively.

The estimated amount of all retirement benefits to be paid at the future retirement date is allocated equally to each service year using the estimated number of total service years. Actuarial gains and losses are recognized in the income statement using the straight-line method primarily over 10 years commencing with the following period.

13. Subsequent events

On June 25, 2002, the shareholders of the Company approved (1) payment of year-end cash dividends to shareholders of record as of March 31, 2002 of ¥5 ($0.038) per share or a total of ¥6,016 million ($45,148 thousand) and (2) bonuses to directors and corporate auditors of ¥60 million ($450 thousand).

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders and the Board of Directors of Mitsui O.S.K. Lines, Ltd.:

We have audited the accompanying consolidated balance sheets of Mitsui O.S.K. Lines, Ltd. (a Japanese corporation) and subsidiaries as of March 31, 2002 and 2001, and the related consolidated statements of income, shareholders' equity and cash flows for the years then ended, expressed in Japanese yen. Our audits were made in accordance with generally accepted auditing standards in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of Mitsui O.S.K. Lines, Ltd. and subsidiaries as of March 31, 2002 and 2001, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan (Note 1) applied on a consistent basis during the periods, except as noted in the following paragraph.

As explained in Note 2 (5), in the year ended March 31, 2002, Mitsui O.S.K. Lines, Ltd. and subsidiaries prospectively adopted new Japanese accounting standards for market valuation for available-for-sale securities with fair market values.

Also, in our opinion, the U.S. dollar amounts in the accompanying consolidated financial statements have been translated from Japanese yen on the basis set forth in Note 1.

Asahi & Co.

Tokyo, Japan

June 25, 2002

■ Consolidated Subsidiaries

▲ Affiliated Companies Accounted for by the Equity Method

Segment	Business		Company	Registered Office	MOL's Ownership (%)*	Paid-in Capital (Thousands)
Overseas Shipping	Ship Operation/ Chartering	■	BGT related 11 companies			
		■	International Energy Transport Co., Ltd.	Japan	46.92	¥1,224,000
		■	International Marine Transport Co., Ltd.	Japan	58.85	¥500,000
		■	Mitsui O.S.K. Kinkai, Ltd.	Japan	98.83	¥660,000
		■	MCGC International Ltd.	Bahamas	80.10	US$1
		■	Mitsui Kinkai Kisen Co., Ltd.	Japan	64.86	¥350,000
		■	Shipowner companies (171 companies) in Panama, Liberia, Cyprus, Malta, Hong Kong, Singapore			
		■	Tokyo Marine Co., Ltd.	Japan	71.74	¥617,500
		▲	Act Maritime Co., Ltd.	Japan	49.00	¥90,000
		▲	Aramo Shipping (Singapore) Pte Ltd.	Singapore	50.00	US$17,047
		▲	Asahi Tanker Co., Ltd.	Japan	24.75	¥400,272
		▲	Badak LNG Transport, Inc.	Japan	25.00	¥400,000
		▲	Belo Maritime Transport S.A.	Panama	50.00	US$2
		▲	Daiichi Chuo Kisen Kaisha	Japan	20.97	¥13,258,410
		▲	Faship Maritime Carriers Inc.	Panama	50.00	US$1,200
		▲	Gearbulk Holding Ltd.	Bermuda	40.00	US$260,000
		▲	Global Alliance K B.V.	Netherlands	25.00	US$5,000
		▲	Golden Sea Carrier Inc.	Liberia	50.00	US$2,420
		▲	Interasia Lines, Ltd.	Japan	43.75	¥400,000
		▲	Jasmin Shipping (Tokyo) Corporation	Japan	50.00	¥10,000
		▲	Liquimarine Gandria Chartering Co., Ltd.	Grand Cayman	50.00	US$10,000
		▲	Liquimarine Gandria Shipping A/S	Norway	50.00	NKR100
		▲	Methane Carriers Ltd.	Bahamas	50.00	US$500
		▲	Monc Liberia, Inc.	Liberia	50.00	US$3
		▲	Nissan Motor Car Carrier Co., Ltd.	Japan	40.00	¥640,000
		▲	Osaka Shipping Co., Ltd.	Japan	30.12	¥498,000
		▲	Powercoal Navigation Corp.	Panama	50.00	¥1,995,000
		▲	Shanghai Ferry Co., Ltd.	Japan	31.98	¥2,389,950
		▲	United Car Transport Corporation, S.A.	Panama	49.00	US$602
	Ship Management and Manning	■	Energy Maritime Service S.A.	Panama	100.00	US$1
		■	Et Marine Consultant S.A.	Panama	100.00	US$2
		■	Fresh Marine Consultant S.A.	Panama	100.00	US$2
		■	International Tanker Service S.A.	Panama	100.00	US$1
		■	Kobe Energy Service Co., Ltd.	Japan	100.00	¥10,000
		■	M.O. Cableship Ltd.	Japan	100.00	¥10,000
		■	M.O. Ship Management Co., Ltd.	Japan	100.00	¥50,000
		■	Mitsui O.S.K. Manning Service S.A.	Panama	100.00	US$135
		■	Tankship Venture S.A.	Panama	100.00	US$2
		■	Other 2 companies			
		▲	Arun LNG Transport, Inc.	Japan	35.00	¥400,000
	Cruising	■	Mitsui O.S.K. Passenger Line, Ltd.	Japan	80.19	¥7,300,000
		▲	Nippon Charter Cruise, Ltd.	Japan	50.00	¥100,000
Ferry/Domestic Shipping	Ferry/Domestic Shipping	■	Blue Highway Line Nishinihon Corp.	Japan	100.00	¥1,183,200
		■	Ehime Hanshin Ferry Co., Ltd.	Japan	100.00	¥300,000
		■	Kyushu Kyuko Ferry Co., Ltd.	Japan	89.00	¥840,000
		■	Navix Naiko, Ltd.	Japan	98.98	¥650,000
		■	Shosen Mitsui Ferry Co., Ltd.	Japan	100.00	¥600,000
		■	The Diamond Ferry Co., Ltd.	Japan	88.43	¥900,000
		▲	Kyodo Kisen Kaisha, Ltd.	Japan	39.00	¥10,000
		▲	Meimon Taiyo Ferry Co., Ltd.	Japan	34.68	¥880,000
	Tugboat Operation	■	Green Kaiji Kaisha, Ltd.	Japan	66.67	¥95,400
		■	Nihon Tug-Boat Co., Ltd.	Japan	69.53	¥134,203
		■	Ube Port Service Co., Ltd.	Japan	51.48	¥14,950
Shipping Agent and Harbor/ Terminal Operation	Shipping Agent	■	Chugoku Shipping Agencies Ltd.	Japan	100.00	¥10,000
		■	Green Shipping, Ltd.	Japan	100.00	¥160,000
		■	Kyushu Shipping Co., Ltd.	Japan	100.00	¥10,000
		■	Mitsui O.S.K. Bulk Shipping (USA) Inc.	U.S.A.	100.00	US$200
		■	Mitsui O.S.K. Bulk Shipping (Asia Oceania) Pte Ltd.	Singapore	100.00	S$2,350
		■	Mitsui O.S.K. Bulk Shipping (Europe) Ltd.	U.K.	100.00	£250
		■	MOL (America) Inc.	U.S.A.	100.00	US$6
		■	Mitsui O.S.K. Lines (Asia) Ltd.	Hong Kong	100.00	HK$40,000
		■	Mitsui O.S.K. Lines (Australia) Pty. Ltd.	Australia	100.00	A$1,000
		■	Mitsui O.S.K. Lines (Austria) GmbH	Austria	100.00	AS500
		■	Mitsui O.S.K. Lines (Deutschland) GmbH	Germany	100.00	DM500
		■	Mitsui O.S.K. Lines (Europe) Ltd.	U.K.	100.00	£1,500
		■	Mitsui O.S.K. Lines (Japan), Ltd.	Japan	100.00	¥395,500
		■	Mitsui O.S.K. Lines (SEA) Pte Ltd.	Singapore	100.00	S$200
		■	Mitsui O.S.K. Lines (South Africa) (Pty), Ltd.	South Africa	100.00	R3,000
		■	Mitsui O.S.K. Lines de Mexico S.A. de C.V.	Mexico	100.00	US$100
		■	Mitsui O.S.K. Lines – South America Ltda.	Brazil	100.00	R$1,677
		■	Sanwa Marine Ltd.	Japan	100.00	¥475,000
		▲	Mitsui O.S.K. Lines (Singapore) Pte Ltd.	Singapore	50.00	S$5,000
		▲	Mitsui O.S.K. Lines (Thailand) Co., Ltd.	Thailand	47.00	BT20,000

				Registered Office	MOL's Ownership (%)*	Paid-in Capital (Thousands)
	Harbor Operation and Customs Clearance	■	International Container Terminal Co., Ltd.	Japan	100.00	¥700,000
		■	International Container Transport Co., Ltd.	Japan	48.00	¥100,000
		■	Japan Express Co., Ltd. (Kobe)	Japan	86.27	¥102,000
		■	Japan Express Co., Ltd. (Yokohama)	Japan	96.99	¥236,000
		■	Kitanihon Soko Koun Co., Ltd.	Japan	95.41	¥179,544
		■	Shosen Koun Co., Ltd.	Japan	79.99	¥300,000
		■	Trans Pacific Container Service Corp.	U.S.A	100.00	US$3,000
		■	Tyne Logistics Co., Ltd.	U.K.	51.00	£40
		▲	Seitetsu Unyu Co., Ltd.	Japan	20.00	¥2,000,000
		▲	Shinyo Kaiun Corporation	Japan	36.00	¥100,000
		▲	Utoc Corporation	Japan	22.48	¥1,455,300
Cargo Forwarding and Warehousing	Cargo Forwarding	■	AMT Freight, Inc.	U.S.A.	100.00	US$9,490
		■	Bangpoo Intermodal Systems Co., Ltd.	Thailand	67.98	BT130,000
		■	Blue Highway Express K.K.	Japan	100.00	¥54,600
		■	Diamond Line K.K.	Japan	100.00	¥20,000
		■	Kitanihon Kosan K.K.	Japan	100.00	¥320,000
		■	MOL Logistics (Japan) Co., Ltd.	Japan	58.13	¥756,250
		■	MOL Logistics (H.K.) Ltd.	Hong Kong	100.00	HK$3,676
		■	M.O. Air International (Singapore) Pte Ltd.	Singapore	51.00	S$700
		■	MOL Logistics (UK) Ltd.	U.K.	100.00	£400
		■	MOL Logistics (USA) Inc.	U.S.A.	100.00	US$7,314
		▲	J.F. Hillebrand Group Ag	Germany	50.00	EU5,000
		▲	Sanshin Co., Ltd.	Japan	42.86	¥10,000
	Warehousing and Logistics Service	■	MOL Distribution (Deutschland) GmbH	Germany	100.00	DM50
		■	Euloc B.V.	Netherlands	100.00	DGL8,000
		■	Hermex Distribution B.V.	Netherlands	100.00	DGL500
		■	Hong Kong Logistics Co., Ltd.	Hong Kong	100.00	HK$58,600
		■	MOL Logistics Administration B.V.	Netherlands	100.00	DGL35
		■	MOL Logistics (Europe) B.V.	Netherlands	100.00	DGL911
		■	MOL Logistics (Netherlands) B.V.	Netherlands	100.00	DGL5,000
		■	Wassing UK Ltd.	U.K.	100.00	£10
		▲	Cougar Holdings Pte Ltd.	Singapore	47.11	S$9,330
Others	Office Rental and Real Estate	■	Hokuso Kohatsu K.K.	Japan	100.00	¥50,000
		■	Hu-Tech Service Co., Ltd.	Japan	100.00	¥20,000
		■	Santo Tatemono Service	Japan	100.00	¥10,000
		■	Mitsui O.S.K. Kosan Co., Ltd.	Japan	90.00	¥395,000
		▲	Daibiru Corporation	Japan	27.07	¥12,227,847
	Finance and Insurance	■	BIL Investments Ltd.	U.K.	100.00	£21
		■	Citrus Navigation Corp.	Panama	100.00	¥1,027,500
		■	Euromol B.V.	Netherlands	100.00	DGL18,600
		■	International Transportation Inc.	U.S.A.	100.00	US$23,063
		■	Linkman Holdings Inc.	Liberia	100.00	US$3
		■	Mitsui O.S.K. Finance PLC	U.K.	100.00	US$6,568
		■	Mitsui O.S.K. Holdings (Benelux) B.V.	Netherlands	100.00	DGL38,000
		■	MOL FG, Inc.	U.S.A.	100.00	US$20
		■	MOL SI, Inc.	U.S.A.	100.00	US$100
		■	MOL-NIC Transport Ltd.	Liberia	75.00	US$13,061
		■	M.O. Reinsurance S.A.	Luxembourg	100.00	US$5,376
		■	White Night Investment Ltd.	Liberia	100.00	US$5,000
		▲	Greenfield Holding Company, Limited	Grand Cayman	40.00	US$55,000
	Others	■	Blue Highway Service	Japan	100.00	¥30,000
		■	Star-Net America, Inc.	U.S.A.	98.33	US$3,000
		■	Japan Express Packing & Transport Co., Ltd.	Japan	100.00	¥60,000
		■	Japan Hydrographic Charts & Publications Co., Ltd.	Japan	54.62	¥32,000
		■	Kitaichi Truck K.K.	Japan	100.00	¥20,000
		■	Kusakabe Maritime Engineering Co., Ltd.	Japan	80.00	¥200,000
		■	MO Engineering Co., Ltd.	Japan	100.00	¥10,000
		■	M.O. Ship Tech Inc.	Japan	100.00	¥50,000
		■	M.O. Marine Consulting, Ltd.	Japan	100.00	¥100,000
		■	M.O. Tourist Co., Ltd.	Japan	100.00	¥250,000
		■	Mitsui O.S.K. Techno-Trade, Ltd.	Japan	100.00	¥690,000
		■	MOL Accounting Co., Ltd.	Japan	100.00	¥30,000
		■	MOL Adjustment, Ltd.	Japan	100.00	¥10,000
		■	MOL Information Systems, Ltd.	Japan	100.00	¥100,000
		■	Mitsui O.S.K. Career Support, Ltd.	Japan	100.00	¥100,000
		■	Orange P.R. Ltd.	Japan	100.00	¥10,000
		■	M.O. Marine Construction, Ltd.	Japan	100.00	¥95,000
		▲	Green Engineering Co., Ltd.	Japan	50.00	¥49,000
		▲	South Eastern Oil (S) Pte Ltd.	Singapore	50.00	S$500

*MOL includes MOL and its subsidiaries

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International Telex: Call No. J22266
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Kobe: Tel: 81-78-304-1100 Fax: 81-78-304-1104

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New Jersey: Tel: 1-732-512-5200 Fax: 1-732-512-5385
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Fax: 55-11-3145-3943
MOL (Chile) Ltda.
Head Office (Santiago): Tel: 56-2-630-1950 Fax: 56-2-630-1953
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Head Office (Mexico City): Tel: 52-555-687-9979
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Fax: 49-40-352506
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Middle East
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Dubai: Tel: 971-4-3933132 Fax: 971-4-3935401
Mitsui O.S.K. Lines (Europe) Ltd.
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Seoul: Tel: 82-2-538-1034 Fax: 82-2-566-6591
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SHAREHOLDER INFORMATION

Capital:	¥64,915,351,028
Head office:	1-1, Toranomon 2-chome, Minato-ku, Tokyo 105-8688, Japan
Number of MOL employees:	1,044
Number of MOL Group employees: **(The parent company and consolidated subsidiaries)**	7,316
Total number of shares authorized:	3,154,000,000
Number of shares issued:	1,205,410,445
Number of shareholders:	134,126
Shares listed in:	Tokyo, Osaka, Nagoya, Fukuoka, Sapporo, Frankfurt
Share transfer agent:	UFJ Trust Bank Ltd. 4-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-1653, Japan
Communications materials:	Annual Reports (English) News Releases (English/Japanese) Website (English/Japanese) Quarterly Newsletter Open Sea (English) Monthly Newsletter Unabara (Japanese) Environmental Report (English/Japanese)

As of March 31, 2002

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Mitsui O.S.K. Lines

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