

TO OUR SHAREHOLDERS

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



Chairman Masaharu Ikuta (right) and President Kunio Suzuki

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.**