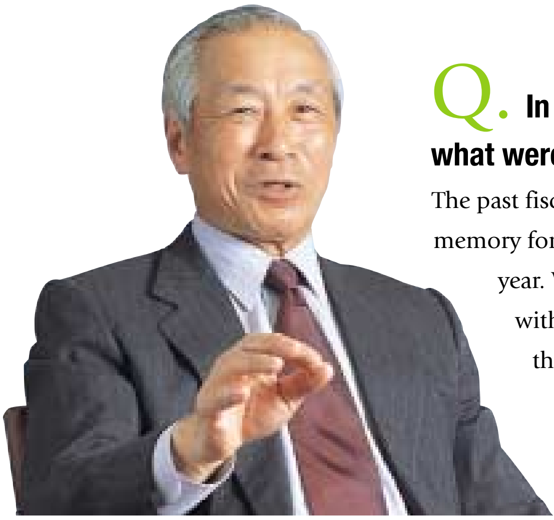


Kunio Suzuki, *President*

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

	Millions of yen			Millions of U.S. dollars (Note)
For the years ended March 31	2002	2001	2000	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

	Consolidated (Non-consolidated) 2002		Consolidated (Non-consolidated) 2001		Consolidated (Non-consolidated) 2000	
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%.

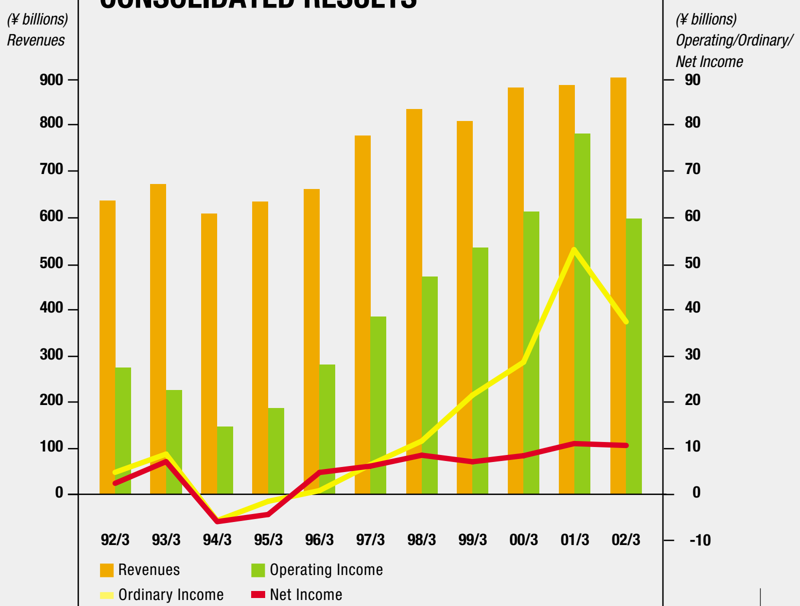
Currently, almost all liner operators in the world are reporting significant losses. Everyone is working harder at avoiding self-destructive competition. One indication of this sentiment is a recent rebound in rates on European trades. Overall, the fact that market conditions have never been worse means 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		FY2002 Plan		FY2003 Plan	Total	
	(results)	(plan)	(revised)	(original)	(original)	(revised)	(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?

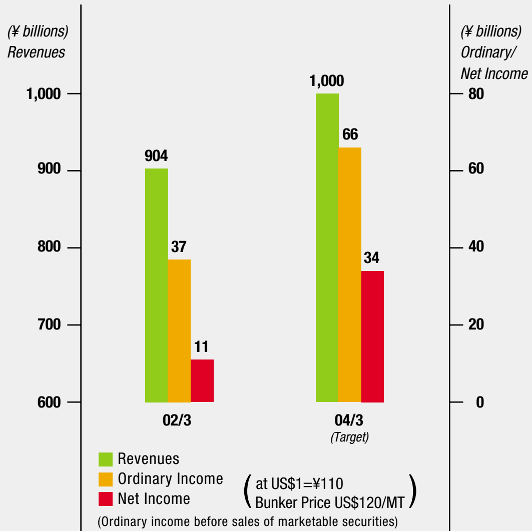
Definitely. During the past few years, the Board of Directors has been downsized and we added directors from outside the company. The nature of board meetings changed dramatically. Much more discussion takes place, and the input of external directors has proven to be invaluable. Establishing the executive 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*?

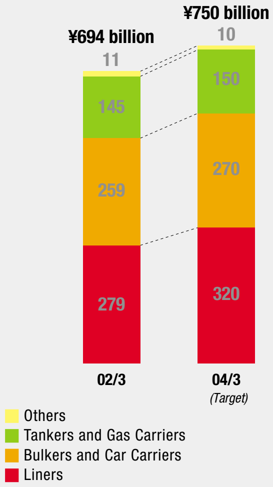
Despite the shortfall in meeting our ambitious earnings goal in the first year of *MOL next*, the entire MOL organization continues to work toward achieving the final targets of *MOL next*. In fiscal 2002, we are forecasting higher revenues but lower operating income compared with the previous year due 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