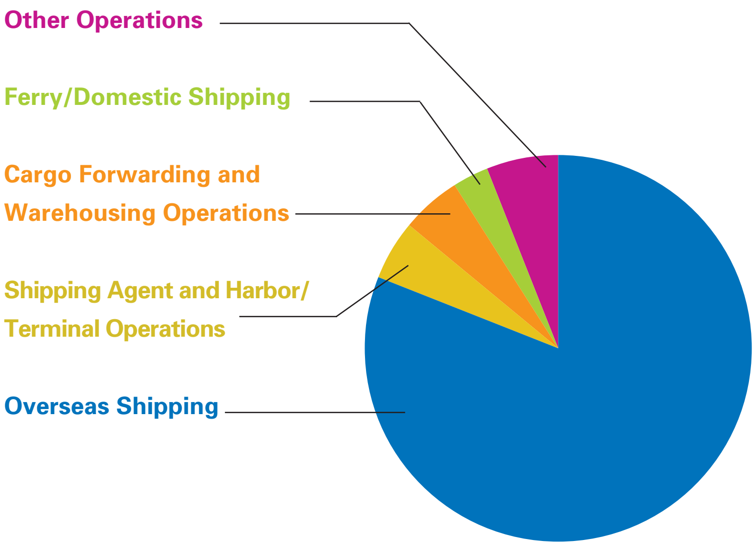
Review of Operations

Summary of Consolidated Results

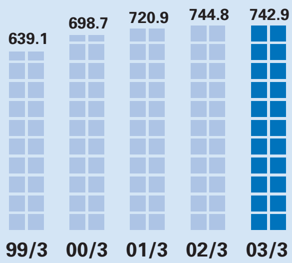


Overseas Shipping

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

81%

CONSOLIDATED REVENUES
(¥ billions)



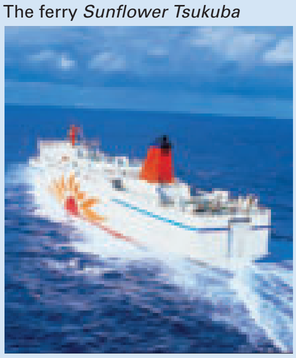
Ferry/Domestic Shipping

> Ferry & Domestic Shipping
> Tugboat Operations

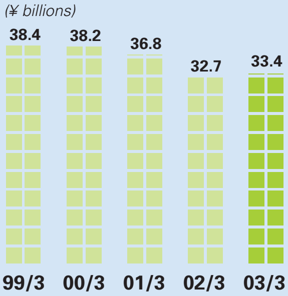
3%

FY2002 Results
Revenues increased 2.3% to ¥33.4 billion and there was a sharp turnaround in earnings as the segment posted operating income of ¥0.6 billion compared with the previous year's loss. Several cost-cutting actions contributed to this result: Kyushu Kyuko Ferry Co., Ltd. became a subsidiary in March 2002; Shosen Mitsui Ferry Co., Ltd. began joint operation of ferry service between Oarai and Tomakomai in Hokkaido with partner Higashinihon-Ferry Co., Ltd.; and service was terminated on several unprofitable routes. MOL is determined to improve profitability even more. Plans include more partnerships with other ferry companies to cut costs by jointly operating ferries linking the Tokyo and Osaka areas with Kyushu.

The ferry *Sunflower Tsukuba*



CONSOLIDATED REVENUES
(¥ billions)

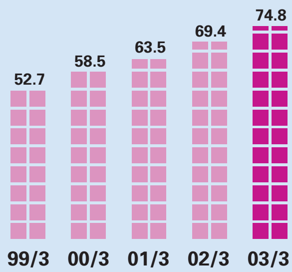


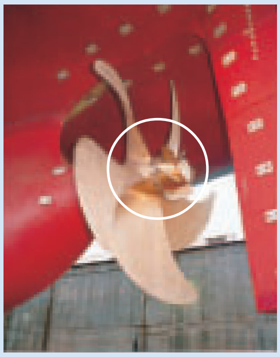
Other Operations

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

6%

CONSOLIDATED REVENUES
(¥ billions)





MOL's patented Propeller Boss Cap Fins (PBCF) improve fuel efficiency

FY2002 Results
Revenues increased 7.9% to ¥74.8 billion and operating income rose 52.2% to ¥3.9 billion. Earnings increased mainly because of actions taken to strengthen the operating base for activities in this segment, chiefly the sale of vessel supplies. There was also an upturn in results in the travel agent business.

The containership *MOL Excellence*

FY2002 Results

Revenues were down marginally to ¥742.9 billion and operating income fell 36.2% to ¥37.4 billion. In liners, cargo volumes on routes linking Asia to North America and Europe were high, but freight rates did not begin to reflect this strength until the second half of the fiscal year. Liners were further pressured by a steep rise in the price of bunker fuel. In response, MOL took steps in anticipation of future rate increases such as enhancing services and becoming more cost competitive. Specific actions included new containerships for the European trade and the deployment of high-capacity vessels on transpacific routes. In non-liner operations, higher demand for shipments to China caused freight rates to rebound in the fiscal year's second half. However, lackluster conditions in the dry bulk sector in the first half brought down non-liner earnings for the full fiscal year. Cruise ship operating results were unchanged.

Shipping Agent and Harbor/ Terminal Operations

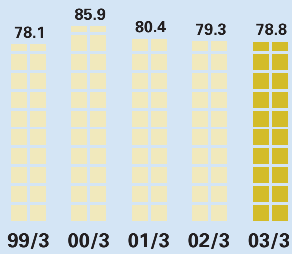
> *Shipping Agent*
> *Harbor/Terminal Operations & Customs Clearance*

FY2002 Results

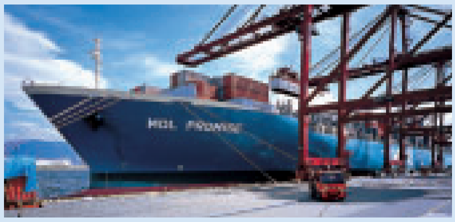
Revenues decreased 0.5% to ¥78.8 billion and operating income was up 91.3% to ¥2.3 billion. The improvement in earnings was due to a strong performance in the shipping agent business as cargo volume rose. Additionally, MOL assumed complete control of its Singapore liner agent to upgrade the service lineup in a move to cater to increasingly diverse customer demands. In harbor/terminal operations, earnings improved despite obstacles such as a soft Japanese economy and fierce competition as MOL Group companies cut costs and took other steps to streamline operations.

CONSOLIDATED REVENUES

(¥ billions)



5%



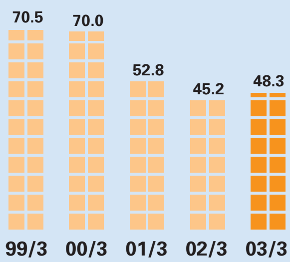
The Kobe International Container Terminal

Cargo Forwarding and Warehousing Operations

> *Cargo Forwarding*
> *Logistics & Warehousing*

CONSOLIDATED REVENUES

(¥ billions)

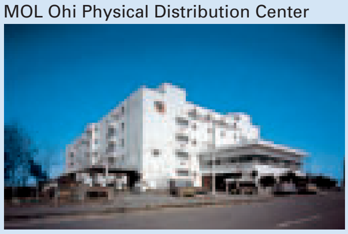


5%

FY2002 Results

Revenues increased 7.1% to ¥48.3 billion and there was a negligible operating loss, a small improvement over the previous fiscal year's loss. These results were primarily a reflection of growth in the air freight forwarding business as some cargo was shifted to air transportation during the October 2002 dock strike on the U.S. West Coast and as the volume of exports from Japan to China and other Asian countries grew.

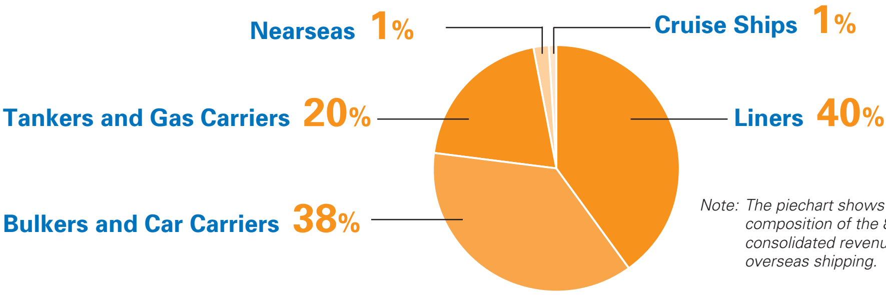
MOL Ohi Physical Distribution Center



Note: All figures include intersegment translation.

Overseas Shipping

OVERSEAS SHIPPING REVENUES

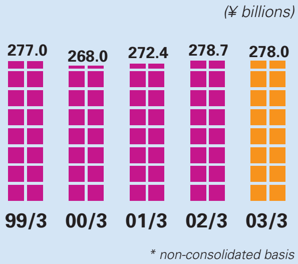


Note: The piechart shows the composition of the 81% of consolidated revenues from overseas shipping.

	Total Revenues	Profile

Liners

Total Revenues

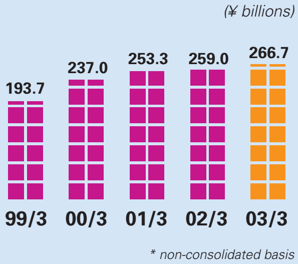


Profile

MOL offers a full line of container transportation services backed by a fleet of 68 containerships along with considerable resources in terminals, warehouses, forwarding and other services. On major east-west routes, MOL operates under the banner of TNWA, an alliance formed by MOL, APL and Hyundai Merchant Marine, one of the world's largest container transportation alliances. To further enhance the quality of customer services while improving operating efficiency, MOL is making significant investments in new vessels, sophisticated IT systems and other infrastructure components.

Bulkers and Car Carriers

Total Revenues

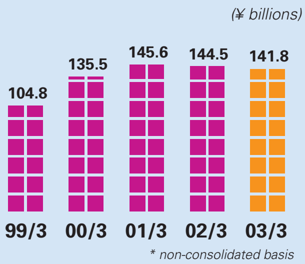


Profile

MOL operates one of the world's largest fleets of bulkers. The 300-vessel fleet consists of Capesize, Panamax, handymax, small handy bulkers and wood chip carriers that carry iron ore, coking coal, steaming coal, wood chips, grain and other bulk cargoes. In the car carrier sector, a business that MOL pioneered in Japan, MOL has a 20% share of the global market. The company's service network covers all four major automobile manufacturing regions: Japan and Korea, North America, Europe and Southeast Asia. This network also extends to South America and Africa. This scale allows MOL to grow alongside automobile makers as they increase sales worldwide as well as to serve new production facilities in China and other countries.

Tankers and Gas Carriers

Total Revenues

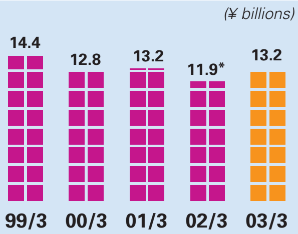


Profile

With a fleet of 100 vessels, MOL is the world's largest operator of tankers and gas carriers. In VLCCs of more than 200,000dwt, about two-thirds are under charter to Japanese oil companies and the remainder to foreign customers. To protect the world's oceans, MOL has been rapidly increasing the share of double-hull VLCCs. By the end of 2008, MOL will have an entirely double-hull VLCC fleet, achieving this goal two years ahead of its original goal. MOL ranks first in LNG carriers, operating 21 of these vessels, more than 30% of all LNG carriers currently in operation. MOL accounts for about 70% of the global methanol carrier market, transporting this substance mainly between points outside Japan.

Nearseas

Total Revenues

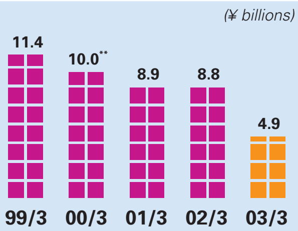


Profile

Mitsui O.S.K. Kinkai, Ltd. plays an important role in inter-Asia non-container trade by operating liners and tramp vessels on routes between Japan and other areas in Asia. Formed in July 2001 through the merger of M.O. Seaways, Ltd. and Navix Kinkai, Ltd., Mitsui O.S.K. Kinkai has a fleet of approximately 45 vessels and is the nucleus of the MOL Group's inter-Asia operations.

Cruise Ships

Total Revenues



Profile

Mitsui O.S.K. Passenger Line, Ltd. (MOPAS) is responsible for cruise ship operations, a business that MOL has been conducting for more than a century. Following the spinning off of MOPAS's charter cruise business in 2002, this company now operates only the *Nippon Maru* (21,903GT), which is widely known for its luxurious facilities and warm-hearted services. This famous ship provides all the passengers on board with the highest satisfaction.

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

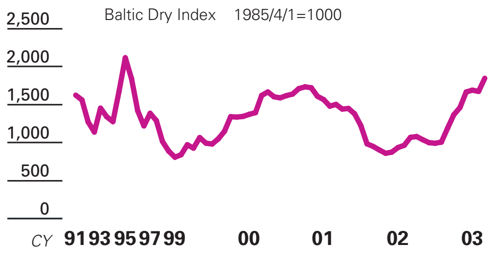
** Revenues are the sum of the nearseas subsidiaries of MOL and Navix and exclude revenues from operations within Japan. The decline in fiscal 2001 revenues is due to the inclusion of only nine months of revenues at Navix Kinkai caused by timing factors related to the July 2001 M.O. Seaways-Navix Kinkai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

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

MAJOR MARKET INDICATORS

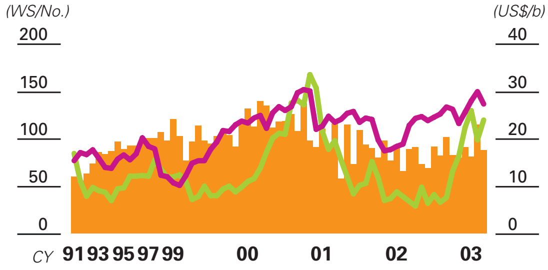
DRY BULK MARKET

The latest information is available in Market Information at: http://www.mol.co.jp/ir-e/



TANKER MARKET (VLCC)

The latest information is available in Market Information at: http://www.mol.co.jp/ir-e/

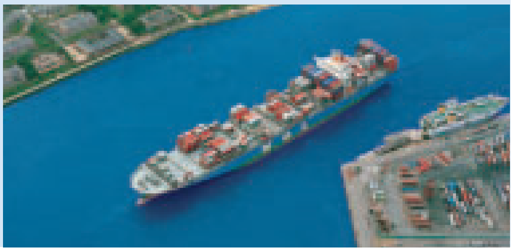


Source: Reuters, Drewry, RIM, etc.

Results

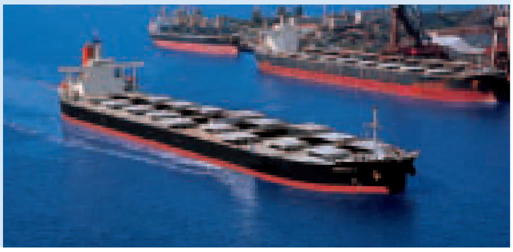
Non-consolidated revenues were virtually unchanged at ¥278.0 billion. Preventing growth were the delays in a recovery in freight rates as well as in the introduction of new vessels until the fiscal year's second half. Cargo volumes were brisk on major routes, keeping rates level on the transpacific trades even during the winter. Second-half results also benefited from a steady increase in rates on routes between Asia and Europe. In response, MOL upgraded services on major routes and continued to take steps to become more cost competitive.

The containership *MOL Performance*



Non-consolidated revenues increased 3.0% to ¥266.7 billion. Bulker revenues were brought down in the first half of the fiscal year by low charter rates. These rates rebounded in the second half as demand for bulkers rose along with the volume of iron ore and coal transported to China and Japan. In car carriers, the number of vehicles transported climbed due to increases in exports from Japan to North America and the number of vehicles shipped between points outside Japan.

The Capesize bulker *Kohyosan*



Tanker and gas carrier revenues decreased 1.9% to ¥141.8 billion, the net result of weak markets for crude oil and refined product tankers in the first half of the fiscal year and a strong rebound in charter rates in the second half. LNG carriers continued to develop as a reliable source of revenues and earnings as MOL signed more contracts during the fiscal year to operate these carriers.

The double-hull VLCC *Perseus Trader*

There was an 11.3% increase in revenues at Mitsui O.S.K. Kinkai to ¥13.2 billion. There was an improvement in earnings due to an extremely high volume of exports of steel products from Japan to other Asian nations throughout the fiscal year. Holding back the growth in earnings somewhat was a lower volume of plywood shipped from Southeast Asia because of intense competition and a decline in plywood inventories caused by a change in JIS regulations.

The tween decker *Sun Grace*

Mitsui O.S.K. Passenger Line reported a 44.2% decline in non-consolidated revenues to ¥4.9 billion, almost entirely the result of spinning off the charter cruise business employing *Fuji Maru*. The *Nippon Maru* underwent a major refurbishment beginning in January 2003 to increase its appeal in the leisure cruising market. Despite this investment, the company was unable to meet its sales and earnings targets because of weak demand for cruises caused by Japan's prolonged economic downturn and soft consumer spending.

The cruise ship *Nippon Maru*