(Unwarranted translation of 'kessan tanshin', provided for reference only)

May 17, 2002

Mitsui O.S.K. Lines, Ltd.

- Financial Results: Fiscal Year 2001 ended March 31, 2002 -

1. Consolidated Results for fiscal year 2001 (from April 1, 2001 to March 31, 2002)

* The translation of Japanese yen amounts into U.S. dollar use the following exchange rates:

FY2001: ¥133.25 (actual rate at the year-end of March 31, 2002)

FY2000: ¥123.90 (actual rate at the year-end of March 31, 2001)

(1) Operational Results

(million yen except earning per share)

	FY2001	FY2000
Revenues	¥903,943	¥887,866
Operating income	¥59,772	¥78,239
Ordinary income	¥37,381	¥53,020
Income before income taxes	¥24,850	¥20,860
Net income	¥10,544	¥10,943
Earning per share	¥8.76	¥9.01
Rate of return on equity	6.8%	7.4%
Rate of return (ordinary income) on assets	3.4%	4.5%
Profit (ordinary income) margin ratio	4.1%	6.0%

(million U.S. dollar)

	FY2001	FY2000
Revenues	$6,784	$7,166
Operating income	$449	$631
Ordinary income	$281	$428
Income before income taxes	$186	$168
Net income	$79	$88

(2) Financial Position

(million yen except shareholders' equity per share)

	FY2001	FY2000
Total Assets	¥1,079,089	¥1,140,400
Shareholders' equity	¥166,970	¥144,355
Equity ratio	15.5%	12.7%
Shareholders' equity per share	¥138.78	¥119.88

(million U.S. dollar)

	FY2001	FY2000
Total Assets	$8,098	$9,204
Shareholders' equity	$1,253	$1,165

(3) Cash Flows

(million yen)

	FY2001	FY2000
Cash flows from operating activities	¥85,015	¥91,019
Cash flows from investing activities	¥28,849	¥47,214
Cash flows from financing activities	△¥132,011	△¥129,909
Cash & cash equivalent at the end of the fiscal year	¥39,737	¥55,289

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(million U.S. dollar)

	FY2001	FY2000
Cash flows from operating activities	$638	$735
Cash flows from investing activities	$217	$381
Cash flows from financing activities	△$911	△$1,048
Cash & cash equivalent at the end of the fiscal year	$298	$446

(4) Other Information

i) Foreign Exchange Information

	FY2001	FY2000	Increase/decrease
Average internal exchange rate	1US$=¥125.11	1US$=¥109.71	△ ¥15.40 (△14.0%)
Actual rate at the end of the period	1US$=¥133.25	1US$=¥123.90	△ ¥9.35 (△ 7.5%)

(Note) The internal exchange rate is the TTM rate at the end of the prior month.
The average internal rate is the average of each monthly rate during the applicable period.
Exchange rates for the end of each period are TTM rates at the end of the applicable period.

Overseas subsidiaries and affiliates

	December 31, 2001 (TTM)	December 31, 2000 (TTM)	Increase/decrease
Actual rate at the end of the period	1US$=¥131.95	1US$=¥114.75	△ ¥17.20 (△15.0%)

ii) Depreciation Expenses

(million yen)

	FY2001	FY2000	Increase/decrease
Vessels	62,238	63,464	△1,226
Others	6,588	6,362	226
Total	68,826	69,826	△1,000

iii) Outstanding Interest-bearing Debt

(million yen)

	As of March 31, 2002	As of March 31, 2001	Increase/decrease
Borrowings	565,361	649,458	△84,097
Straight bonds issued	79,355	83,006	△3,651
Commercial paper	23,000	10,000	13,000
Leasing	-	2,147	△2,147
Total	667,719	744,612	△76,893

(5) Forecast for the fiscal year 2002 ending March 31, 2003

*Estimation for FY2002: Exchange rate 1US$=¥130.0, Bunker price US$145/MT

(million yen)

	1st half of FY2002	FY2002
Revenues	¥460,000	¥930,000
Ordinary income	¥11,000	¥30,000
Net income	¥4,000	¥15,000

(million U.S. dollar)

	1st half of FY2002	FY2002
Revenues	$3,538	$7,154
Ordinary income	$85	$231
Net income	$31	$115

2. Non-Consolidated Results for fiscal year 2001 (from April 1, 2001 to March 31, 2002)

* The translation of Japanese yen amounts into U.S. dollar use the following exchange rates:

FY2001: ¥133.25 (actual rate at the year-end of March 31, 2002)

FY2000: ¥123.90 (actual rate at the year-end of March 31, 2001)

(1) Operational Results

(million yen except earning per share)

	FY2001	FY2000
Revenues	¥693,854	¥683,167
Operating income	¥36,206	¥52,096
Ordinary income	¥31,192	¥51,336
Income before income taxes	¥13,508	¥23,960
Net income	¥6,577	¥14,282
Earning per share	¥5.47	¥11.75
Rate of return on equity	4.3%	9.7%
Rate of return (ordinary income) on assets	5.8%	9.2%
Profit (ordinary income) margin ratio	4.4%	7.5%

(million U.S. dollar)

	FY2001	FY2000
Revenues	$5,207	$5,514
Operating income	$272	$420
Ordinary income	$234	$414
Income before income taxes	$101	$193
Net income	$49	$115

(2) Dividends

	Dividend per share			Total dividends paid (per year)	Dividend pay-out ratio	Dividend ratio to Shareholders' equity
		Interim	Yearly	(Millions of yen)		
FY2001	¥5.00	-	¥5.00	6,016	91.5%	3.8%
FY2000	¥5.00	-	¥5.00	6,021	42.2%	4.0%

(3) Forecast for the fiscal year 2002 ending March 31,2003

*Estimation for FY2002: Exchange rate 1US$=¥130.0, Bunker price US$145/MT

(million yen)

	1st half of FY2002	FY2002
Revenues	¥350,000	¥700,000
Ordinary income	¥8,000	¥24,000
Net income	¥1,500	¥10,000

(million U.S. dollars)

	1st half of FY2002	FY2002
Revenues	$2,692	$5,385
Ordinary income	$62	$185
Net income	$12	$77

(Revenues' breakdown)

(million yen)

	FY2002	FY2001
Liners	¥285,000	¥278,747
Bulkers & Car Carriers	¥260,000	¥259,017
Tankers & Gas Carriers	¥145,000	¥144,548
Others	¥7,000	¥8,342
Other Operation	¥3,000	¥3,197

(million U.S. dollars)

	FY2002	FY2001
Liners	$2,192	$2,092
Bulkers & Car Carriers	$2,000	$1,944
Tankers & Gas Carriers	$1,115	$1,085
Others	$54	$63
Other Operation	$23	$24

3. Overview of the MOL group

The term "the Company" in the consolidated financial statements refers to the parent company (Mitsui O.S.K. Lines, Ltd. –MOL-) and its 286 consolidated subsidiaries as well as 37 affiliated companies accounted for by the equity method. The grand total of consolidated subsidiaries and affiliates accounted for by the equity method is 323.

The Company operates a worldwide network of shipping-related businesses. Consolidated business results are categorized into five segments, with overseas shipping as the key business, as well as ferry/domestic shipping, shipping agent and harbor/terminal operation, cargo forwarding and warehousing, and other businesses. MOL's businesses, along with its subsidiaries and affiliates, are shown below, in the same classifications as in the segment information.

[Overseas Shipping]

Consolidated subsidiaries & affiliates accounted for by the equity method: 223 companies

The Company operates worldwide shipping services with containerships, bulk carriers, specialized carriers, liquefied gas carriers, and oil tankers to earn revenue from ocean freights, charter hires, and vessel operation commissions. Subsidiaries and affiliates in this segment are separated into three sub-categories: ship operating companies directly involved in cargo transportation using owned or chartered vessels to earn ocean freights as revenue; companies which own vessels and charter out their vessels to ship operating companies in the MOL Group; and ship management companies which provide manning, ship maintenance, and other ship management services.

Major subsidiaries engaged in the first sub-category, ship operating companies, are Mitsui O.S.K. Kinkai, Ltd. and Tokyo Marine Co., Ltd., and equity method affiliates Daiichi Chuo Kisen Kaisha and Asahi Tanker Co., Ltd. Mitsui O.S.K. Kinkai was created by merging the Intra-Asia operating division of Navix Kinkai, Ltd., into M.O. Seaways, Ltd., and renaming it. Operations under the new name of Mitsui O.S.K. Kinkai, Ltd. began July 1, 2001. With this reorganization, Navix Naikou was renamed to Navix Kinkai and specializes in domestic shipping.

Major companies engaged in the second sub-category, shipowning companies, are International Energy Transport Co., Ltd., International Marine Transport Co., Ltd., and Mitsui Kinkai Kisen Co., Ltd. (all consolidated subsidiaries).

Ship management companies in the third sub-category include consolidated subsidiary M.O. Ship Management Co., Ltd.

In addition, the Company operates cruise ships through the consolidated subsidiary Mitsui O.S.K. Passenger Line, Ltd., and equity-method affiliate Nippon Charter Cruise, Ltd., which started operation in October 2001.

[Ferry/Domestic Shipping]
Consolidated subsidiaries & affiliates accounted for by the equity method: 11 companies

Through subsidiaries and affiliates, the Company operates domestic ferry transportation services and other domestic shipping services, mostly in coastal areas of Japan, and tugboat operations at the major ports in Japan.

Major consolidated subsidiaries in this segment are Shosen Mitsui Ferry Co., Ltd., The Diamond Ferry Co., Ltd., Kyushu Kyuko Ferry Co., Ltd. and Navix Naiko, Ltd. Major equity method affiliates engaged in ferry/domestic shipping operations are Meimon Taiyo Ferry Co., Ltd., etc. The Company executed additional acquisition of Kyushu Kyuko Ferry Co., Ltd's shares and made it one of MOL's consolidated subsidiaries during this fiscal year. Shosen Mitsui Ferry started operation in July 2001 following the reorganization of the MOL Group domestic ferry business. It mainly serves Kanto-Hokkaido routes. Blue Highway Line Corporation and Blue Highway Line Nishi-Nippon Corporation will cease the operation and be liquidated by the end of FY2001. Navix Naiko started in July 2001, focusing on domestic shipping operations previously handled by Navix Kinkai.

Tugboat operations are conducted by consolidated subsidiaries such as Nihon Tug-Boat Co., Ltd., and Green Kaiji Kaisha, Ltd.

[Shipping Agent and Harbor/Terminal Operation]
Consolidated subsidiaries & affiliates accounted for by the equity method: 31 companies

Shipping agent and harbor/terminal operations are conducted by subsidiaries and affiliates. Companies in this segment are separated into two sub-categories: those serving as shipping agents to handle sales of MOL Group cargo space and port operation; and those involved in harbor transportation, terminal operations, and customs clearance.

The major consolidated subsidiary involved in the shipping agent business is Mitsui O.S.K. Lines (Japan), Ltd.

The principal harbor/terminal operators in the second sub-category are International Container Terminal Co., Ltd., Shosen Koun Co., Ltd., Japan Express Co., Ltd. (Kobe), Japan Express Co., Ltd. (Yokohama), and International Container Transport Co., Ltd. (consolidated subsidiaries), and Utoc Corporation (an affiliate accounted for by the equity method).

[Cargo Forwarding and Warehousing]
Consolidated subsidiaries & affiliates accounted for by the equity method: 21 companies

MOL operations comprise cargo forwarding and warehousing through subsidiaries and affiliated companies. MOL regards such businesses as a key to providing comprehensive "total logistics" transportation service encompassing marine transportation, land transportation, and air cargo transportation. The segment is separated into two sub-categories: companies engaged mainly in cargo forwarding utilizing multi-modal transportation and related logistics; and companies engaged in warehousing and related businesses. Major consolidated subsidiaries in the first sub-category are MOL Logistics (Japan) Co., Ltd., Kitanihon Kosan K.K., and MOL Logistics (USA) Inc. MOL Logistics (Japan) Co., Ltd., renamed as of October 1, 2001., is a part of MOL's effort to enhance its logistics service network under the MOL Logistics brand.

One of the consolidated subsidiaries in the second sub-category is MOL Logistics (Europe) B.V.

[Other Businesses]

Consolidated subsidiaries & affiliates accounted for by the equity method: 37 companies

MOL directly operates office-rental businesses. In addition, several subsidiaries and affiliates operate various businesses other than those classified in the above segments. Major subsidiaries and affiliates categorized in this segment are as follows:

* Mitsui O.S.K. Techno-Trade, Ltd. (a consolidated subsidiary), a trading house that handles bunker oil, and ship supplies, machinery, etc.
* Kusakabe Maritime Engineering Co., Ltd. (a consolidated subsidiary), a construction company.
* Daibiru Corporation (an equity method affiliate), an office-rental and rent estate company.
* M.O. Tourist Co. Ltd. (a consolidated subsidiary), travel agency, branched off from M.O. Air System, Inc. (now MOL Logistics (Japan) Co., Ltd.) in May, 2001.
* Euromol B.V. (a consolidated subsidiary), a financing company that focuses on group finance for the MOL Group.

Others include subsidiaries and affiliates operating computer and information technology services, temporary staffing, and others. On April 1, 2001, MOL Management Service, Ltd. and Pro-Staff Service Co., Ltd. merged. Under a new name, Mitsui O.S.K. Career Support, Ltd., the company offers temporary staffing services.

4. Management Policies

(1) Basic Policies

Mitsui O.S.K. Lines, Ltd. (MOL) formulated the following MOL Group Corporate Principles in April 2001, based on three pillars — "Contribute to the growth of the world economy," "Maximize corporate value," and "Ensure safe operation and marine and global environmental protection."

MOL values its relationships with all its stakeholders, and with the support of an excellent and resilient MOL Group, aims to be a truly excellent company in the 21st century.

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

(2) Basic Policies for the Distribution of Earnings

MOL considers maximizing return to its shareholders as one of its most important management objectives. While recognizing the need to strengthen the company's financial position to withstand changes in the business environment and volatility in shipping markets, as well as to retain earnings to invest in future operations, MOL's fundamental policy is to ensure stable and sustainable dividends for shareholders.

The dividend for fiscal year 2001, ending on March 31, 2002 is projected at 5 yen per share.

(3) Management Restructuring and Enhanced Corporate Governance

Recognizing the importance of transparency in management and the need to bolster competitiveness in today's global market economy, as well as the importance of raising company's value for shareholder, MOL has appointed outside directors, and introduced an executive officer assignment program. In June 2001, MOL added one outside director, bringing the total to three. Essentially, four of the company's 12 directors are from outside the company, including George Hayashi (a U.S. citizen who is the former chairman, president, and CEO of APL).

In addition, MOL established the Compliance Policies in November 2001, to create a corporate culture that emphasizes strong ethics among all directors and employees. At the same time, the company formed the Compliance Committee chaired by the vice president in charge of administrative divisions. MOL is moving to complete and enforce a company-wide compliance system based on three policies – continually working toward the corporate vision, recognizing the company's commitments to society and stakeholders, and conducting fair and transparent corporate activities in a law-abiding spirit.

(4) Mid- and Long-Term Management Strategies

Aiming to strengthen global cost competitiveness, establish a stable dividend structure, and strengthen groupwide management, MOL has developed the "Creative and Aggressive Redesigning" action plans and established the mid-term management plans for every two to three years, setting phased goals and monitoring their achievement since 1994. Starting on April 1, 2001, aiming at the goals of "growth and expansion," MOL initiated a new three-year mid-term management plan, called Mitsui O.S.K. Lines' New Expansion Target (MOL next). While the Company continues its efforts to improve cost competitiveness and reduce its interest-bearing debts, MOL has allocated additional management resources to fields expected to enjoy future growth, including liner operations and resource and energy transport, to pursue both business scale and profits. We are also further strengthening MOL Group management by selecting core business segments and concentrating our management resources there. For example, MOL reorganized and consolidated logistics operations with MOL Logistics Japan Co., Ltd. as the core, while restructuring its ferry business in response to changes in Japan's transport system under the modal shift policy.

Our goal for March 31, 2004, the conclusion of the MOL next program, is to achieve consolidated revenue of 1 trillion yen, consolidated ordinary income of 66 billion yen, consolidated net income of 34 billion yen, consolidated ROE of 15%, consolidated ROA of 4%, consolidated equity ratio of 20%, and consolidated interest-bearing debts of 600 billion yen. These goals are based on an assumed exchange rate of 110 yen/US$ and bunker oil prices of US$120/MT.

(5) Future Issues

During FY2001, MOL could not achieve the first stage of MOL next profit goals due to a business environment that was much more severe than we anticipated. However, we continue our Creative and Aggressive Redesign efforts to strengthen competitiveness and reduce costs as we work toward the goals of MOL next.

MOL also recognizes that safe operation and marine/global environmental protection are critical in our business, and is aggressively addressing these issues. We have implemented a range of environmental programs, such as drawing up the MOL Group

Environmental Policy Statement. And in April 2001, we launched MOL EMS 21, our own environmental management system, to ensure a long-term environmental strategy under the theme "MOL: Bluer Oceans & Cleaner Environment." We continue to improve environmental protection activities, setting more detailed goals for every division and department as well as the company-wide environmental goals such as marine environmental protection, air pollution prevention, energy and resource conservation, and so on.

5. Business Performance

I. Overview

(1) Business environment

The world economy during fiscal year 2001, ending March 31, 2002, decelerated overall, compounded by the effects of the September 11 terrorist attacks on the United States. The U.S. and Asian economies declined, and Japan remained in a slump, with export trade declining as a result of the worldwide economic slowdown and low domestic demand, especially in the information technology sector.

As a result of this severe environment, consolidated business results for FY2001 showed revenues of 903.9 billion yen, an increase of 1.8% over the previous year, with operating income of 59.7 billion yen (a decrease of 23.6% from the previous year). Ordinary income was 37.3 billion yen (a decrease of 29.5% from the previous year). Net income totaled 10.5 billion yen (a decrease of 3.6% from the previous year).

In addition, MOL's non-consolidated results showed revenue of 693.8 billion yen (an increase of 1.6% over the previous year), with operating income of 36.2 billion yen (a decrease of 30.5% from the previous year), Ordinary income totaled 31.1 billion yen (a decrease of 39.2% from the previous year) and net income was 6.5 billion yen (a decrease of 53.9% from the previous year).

<u>Cash flow</u>
Cash and cash equivalents (hereinafter "funds") generated by operating activities during FY2001 totaled 85 billion yen. Although funds rose as a result of rising income before income taxes and a decrease in trade receivables, they decreased 6 billion yen (a 6.6% decrease) from the previous year due to increased payment such as corporate income tax. Funds generated by investment activities totaled 28.8 billion yen – a decrease of 18.3 billion yen (38.9%) from the previous year. This was mainly due to a large decrease in income from the sale of marketable securities. Funds used in financial activities totaled 132 billion yen (an increase of 1.6% from the previous year). This was mainly due to the Company's efforts to reduce interest-bearing debt by repaying loans. As a result, funds generated during FY2001 totaled 39.7 billion yen (a decrease of 28.1% from the previous year).

(2) Segment Results

<u>Overseas shipping</u>
The yen remained weak compared to the previous year, and fuel oil prices showed a slight decline. These were positive factors. However, particularly during the second half of FY2001, cargo volume declined as the world economy continued to slow down, freight rates declined in the face of more intense competition, and the charter market stagnated. These factors contributed to a severe business environment.

The Liner Division expanded and improved services, launching new large-scale, high-speed containerships in key eastbound and westbound trades and opening new routes in Asia. However, profitability declined sharply from the previous year as a result of surplus cargo space, declining freight rates, and a decrease in cargo volume. During the second half of FY2001, the Liner Division decreased the number of ships on key routes to improve supply and demand situation, and also continued its cost reduction programs.

The profitability of non-liner operations increased from the previous year. This resulted from the acquisition of new cross-trade contracts and improvements in operating efficiency. In addition, most of our specialized carriers, tankers, and liquefied natural gas (LNG) carriers sail under long-term contracts, which helps ensure stable profits.

Cruise ship operations achieved the same results as in the previous year.

Overseas shipping revenue for FY2001 totaled 744.7 billion yen (an increase of 3.3% over the previous year), with operating income of 58.6 billion yen (an decrease of 20.7% from the previous year).

<u>Ferry/Domestic shipping</u>
In ferry operations, Shosen Mitsui Ferry Co. started operation in July 2001. Restructuring of the MOL Group ferry business, including improving service and withdrawing from unprofitable routes, is still under way. A sharper than anticipated slowdown in cargo volume and more severe competition resulted in a decrease in profitability compared to the previous year.

FY2001 revenue totaled 32.7 billion yen (a decrease of 11.1% from the previous year) with an operating loss of 1 billion yen.

<u>Shipping agent and harbor/terminal operations</u>
Profitability of the container terminal business worsened due to the slowdown in cargo volume on major liner routes. The domestic logistics division faced a severe business environment, with a sluggish domestic economy and more intense competition. But its profitability nearly matched that of the previous year thanks to cost reductions and other rationalization efforts.

Revenue in this sector totaled 79.2 billion yen (a decrease of 1.4% from the previous year) and operating income came to 1.2 billion yen (a decrease of 63.7% from the previous year).

<u>Cargo forwarding and warehousing operations</u>
MOL continued to reduce costs in the air freight forwarding business, but its profitability worsened because of decreased as cargo volume, a result of the slowing U.S. economy and continued sluggishness in Japan.

Revenue in this sector totaled 45.1 billion yen (a decrease of 14.5% from the previous year) and operating losses came to 0.3 billion yen.

<u>Other operations</u>

In the temporary staffing business, the Company merged two MOL Group companies to form Mitsui O.S.K. Career Support Co., Ltd., further consolidating our management resources.

MOL enhanced its trading business operations in areas such as vessel supplies, but overall performance did not improve.

In the travel agent business, M.O. Tourist Co., Ltd. was established and contributed to improved performance in this field.

Revenue in this sector totaled 69.3 billion yen (an increase of 9.2% over the previous year) and operating income was 2.6 billion yen (a decrease of 10.2% from the previous year).

II. Outlook for FY2002

For FY2002, we expect difficult economic conditions to persist, especially in overseas shipping. However, we see signs that economic declines have bottomed out in the United States, Japan, and Asia. We will continue our efforts to improve cost competitiveness, especially in the Liner Division, and concentrate our management resources on areas where we anticipate future growth, such as energy resource transport, to ensure the continued growth of the MOL Group.

We expect the world economy to start a slow recovery in the second half of FY2002, and anticipate improving markets for bulk and specialized carriers and tankers. As a result of these positive factors, as well as our ongoing cost reduction efforts and improved profitability in ferry and cruise ship operations, we anticipate consolidated revenue of 930 billion yen, ordinary income of 30 billion yen, and net income of 15 billion yen. MOL's non-consolidated revenue is expected to reach 700 billion yen, with ordinary income of 24 billion yen and net income of 10 billion yen.

These projections are based on a presumed exchange rate of ¥130/US$, and bunker oil prices of US$145/MT.

We expect the dividend for FY2002 to be 5 yen per share, assuming we achieve our profit goals.

6. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(million yen)

	As of March 31,2002		As of March 31,2001		Increase/ Decrease
	Amount	%	Amount	%	
(Assets)					
Current assets	251,387	23.3	255,774	22.4	△4,387
Fixed assets	827,702	76.7	884,626	77.6	△56,924
(Tangible fixed assets)	(619,645)	(57.4)	(691,306)	(60.6)	(△71,661)
(Intangible fixed assets)	(8,470)	(0.8)	(10,826)	(1.0)	(△2,356)
(Investments and other long-term assets)	(199,586)	(18.5)	(182,493)	(16.0)	(17,093)
Total Assets	1,079,089	100.0	1,140,400	100.0	△61,311

(Note)		As of March 31, 2002	As of March 31, 2001
	Contingent Liabilities		
	Guarantee	28,598 million yen	32,929 million yen
	Co-debtors' share of joint guarantee	99,687 million yen	103,646 million yen

(million yen)

	As of March 31,2002		As of March 31,2001		Increase/ Decrease
	Amount	%	Amount	%	
(Liabilities)					
Current liabilities	375,032	34.8	399,995	35.1	△24,963
Non-current liabilities	533,592	49.4	588,689	51.6	△55,097
Total Liabilities	908,624	84.2	988,685	86.7	△80,061
Minority interest	3,494	0.3	7,359	0.6	△3,865
(Shareholders' Equity)					
Common stock	64,915	6.0	64,915	5.7	-
Additional paid-in capital	43,886	4.1	43,886	3.8	-
Consolidated surplus	47,817	4.4	43,433	3.8	4,384
Revaluation reserve for land	2,172	0.2	-	-	2,172
Revaluation of investments in marketable securities	11,423	1.1	-	-	11,423
Translation adjustment	△2,608	△0.2	△7,595	△0.6	4,987
Treasury stock	△637	△0.1	△284	△0.0	△353
Total Shareholders' Equity	166,970	15.5	144,355	12.7	22,615
Total Liabilities, Minority interest, and Total Shareholders' Equity	1,079,089	100.0	1,140,400	100.0	△61,311

(2) Consolidated Statements of Income

(million yen)

	FY2001		FY2000		Increase/Decrease	
	Amount	%	Amount	%	Amount	%
Shipping and other operating revenues	903,943	100.0	887,866	100.0	16,077	1.8
Shipping and other operating expenses	761,507	84.3	732,511	82.5	28,996	4.0
Gross operating income	142,436	15.7	155,354	17.5	△12,918	△8.3
General and administrative expenses	82,663	9.1	77,115	8.7	5,548	7.2
Operating income	59,772	6.6	78,239	8.8	△18,467	△23.6
Non-operating income:						
Interest and dividends	3,372		3,550			
Equity in earnings of affiliated companies	4,426		3,680			
Others	4,781		11,987			
Total	12,580	1.4	19,218	2.1	△6,638	△34.5
Non-operating expenses:						
Interest	32,104		39,465			
Others	2,866		4,970			
Total	34,971	3.9	44,436	5.0	△9,465	△21.3
Ordinary income	37,381	4.1	53,020	5.9	△15,639	△29.5
Special profits:						
Profits on sale of fixed assets	4,940		10,662			
Others	2,237		16,943			
Total	7,178	0.8	27,605	3.1	△20,427	△74.0
Special losses:						
Losses on sale of fixed assets	5,078		14,317			
Others	14,631		45,448			
Total	19,709	2.2	59,765	6.7	△40,056	△67.0
Income before income taxes	24,850	2.7	20,860	2.3	3,990	19.1
Corporate income tax, resident tax, and enterprise tax	6,100	0.7	19,472	2.2	△13,372	△68.7
Corporate income tax adjustment	6,632	0.7	△7,708	△0.9	14,340	-
Profit/loss(△) on minority interest	1,572	0.1	△1,846	△0.2	3,418	-
Net Income	10,544	1.2	10,943	1.2	△399	△3.6

(3) Consolidated Statements of Surplus

(million yen)

	FY2001	FY2000	Increase/ decrease
Consolidated surplus at the beginning of the year	43,433	43,198	235
Increase in consolidated surplus			
Increase in retained earnings due to inclusion of consolidated subsidiaries	47	-	47
Decrease in consolidated surplus			
Dividends	6,021	4,917	1,104
Directors' bonus	105	136	△31
Decrease in retained earnings due to exclusion of consolidated subsidiaries	58	227	△169
Decrease in retained earnings due to inclusion of companies accounted for by the equity method	21	-	21
Decrease in retained earnings due to exclusion of companies accounted for by the equity method	-	123	△123
Share repurchases	-	5,304	△5,304
Net income	10,544	10,943	△399
Consolidated surplus at the end of the year	47,817	43,433	4,384

7. Applicable Accounting Principles in Consolidated Financial Statements

I. Accounting Principles

(1) Valuation of assets

Marketable Securities

Short-term investments:	At market, cost being determined by the moving average method
Bonds or securities to be held until maturity:	At cost based on the depreciation method
Other securities: (a) Marketable	At market based on the market value on March 31, 2002 (the difference in book and market values taken care of with direct capital infusion, and securities sold value calculated mainly based on the moving average method.)
(b) Non-marketable	Mainly at cost based on the moving average method
Derivatives:	Mainly at market.
Inventories:	Mainly at cost based on the moving average method.

(2) Depreciation

Tangible fixed assets:	
Vessels:	In principle, the straight-line method
Buildings:	In principle, the straight-line method
Other tangible fixed assets:	In principle, the declining-balance method
Intangible fixed assets:	The straight-line method

(3) Accounting method for deferred assets

Amortization of bond issue expense; Bonds issue expense is charged to income as incurred.

(4) Provisions

(a) Allowance for Doubtful Receivables
Allowance for general receivables is appropriated based on past loss experience. As for some doubtful receivables, amounts for estimated losses are appropriated after examining the possibility of recovery.

(b) Provisions for Employees' Bonuses
Provisions for bonuses are provided in an amount accrued during the current period.

(c) Provisions for Employees' Retirement Benefits

The Company appropriates an amount of a provision for the period ended March 31 based on the total amount of the estimated lump-sum retirement and pension payments at the end of the fiscal year. 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.

(d) Provisions for Statutory Required Overhaul of Vessels

Provisions for statutory required vessel overhauls are provided based on the estimation of future expenditures for statutory required vessel overhaul.

(e) Provisions for Losses on Guarantees

The Company appropriates a provision for the estimated cost of losses on guarantees of liabilities at affiliated companies and other companies based on the financial condition of each company receiving such guarantees.

(f) Provision for Restructuring Expenses

The Company appropriates a provision for the estimated cost of restructuring businesses.

(5) Shipping Revenues and Related Expenses

Shipping revenues and the related voyage expenses are mainly recognized by the completed-voyage method.

(6) Accounting Method for Leases

Finance leases, except such lease transactions where ownership of leased assets is transferred from lessor to the lessee at the end of the lease term, are treated as standard rental transactions for accounting purposes.

(7) Accounting Method for Hedges

(a) Accounting method

Deferred hedging transactions are adopted for accounting method. However, interest rate swaps and interest rate caps that meet conditions for special treatment are accounted for separately.

(b) Hedging methods and instruments

Methods	Instruments hedged
Foreign-currency loans	Foreign-currency future transactions
Foreign-currency forward agreements	Foreign-currency future transactions
Foreign-currency swaps	Foreign-currency loans
Interest rate swaps	Loans and bonds
Commodity futures	Bunker oil

(c) Hedging policy

In accordance with the Company's internal regulations on managing market risk, each hedging instrument is clearly defined and then they are used only to manage risk associated with fluctuations in foreign exchange and interest rates.

(d) Method for evaluation of hedging validity

The validity of hedging is based upon a comparison of the accumulated movement of the hedgeable instruments' market or of cash flow with the accumulated movement of hedging methods market of cash flow. However, evaluation of hedging validity is omitted for interest rate swaps satisfying specific conditions.

Ⅱ. Evaluation for consolidated subsidiaries' assets and liabilities

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.

Ⅲ. Amortization of the consolidation difference

Consolidation difference is amortized over 5 years, in principal. However, consolidation difference related to the former Burmah Transport Holdings Ltd., which was merged with MOL-NIC Ltd., and those related to the Bling Inc., are amortized over14 years, the period of their economic effect.

Ⅳ. Consolidated Statements of Surplus

The Company made consolidated statements of surplus for profit accounting of the consolidated companies and equity method affiliates, based on the profit accounting settled during the FY2001.

Ⅴ. Scope of Funds of Interim Statements of Cash Flows

Cash and cash equivalents listed on the FY2001 statements of cash flows include cash, highly liquid deposits and other instruments that can be converted into cash at any time, and short-term investments maturing within three months that have little risk of changes in price.

Ⅵ. Other Applicable Principles in Consolidated Financial Statements

(a) The Company adopts the "without consumption tax" accounting method, in which the Company recognizes revenue net of consumption tax.

(b) Interest expenses of the Company and consolidated subsidiaries are recognized on the actual accounting basis, in principal. However, interest expenses accrued during construction of certain assets, such as vessels and buildings, whose construction require long period of time and significant costs, are capitalized and included in the acquisition costs of the assets. For the FY2001, such capitalized interest amount to 7 million yen.

(c) The Company revalued the commercial real estate of the equity method affiliate Daibiru Corporation, based on the land revaluation law. As a result of this revaluation, 2,172 million yen of the amount appropriated for the Company's equity was included under shareholders' equity in the financial statements of the Company.

Ⅶ. Others

The BGT project is operated by subsidiaries that are legally independent of the Company. The assets of the BGT project are secured by parties other than the MOL Group and the subsidiaries involved in the project have their own creditors.

8. Appendix to the consolidated financial statements

[Accounting for Financial Instruments]

Effective from this fiscal year, accounting standards for financial instruments were used to set the method of evaluating available-for-sale securities. The standard was promulgated in the Business Accounting Deliberation Council's paper "Opinion Concerning the Establishment of Accounting Standards for Financial Instruments" issued on January 22, 1999.

As a result, 17,943 million yen in investment securities, 33 million yen in other long-term asset, 11,423 million yen in available-for-sale securities variance of the estimate, 23 million in deferred tax assets, 6,345 million yen in deferred tax liabilities, and 230 million yen in minority interests were recorded.

9. Segment Information

(million yen)

FY2001	Overseas shipping	Ferry/ domestic shipping	Shipping agents & harbor/ terminal operation	Cargo for-warding & ware-housing	Others	Total	Elimi-nation	Consoli-dated
I. Revenues								
1) Revenues from customers, unconsolidated subsidiaries and affiliated companies	737,987	29,787	41,315	44,561	50,292	903,943	-	903,943
2) Inter-segments revenues	6,796	2,926	37,970	597	19,082	67,373	△67,373	-
Total Revenues	744,783	32,714	79,285	45,158	69,374	971,317	△67,373	903,943
Operating expenses	686,110	33,716	78,080	45,495	66,760	910,163	△65,992	844,170
Operating income	58,673	△1,001	1,205	△336	2,614	61,154	△1,381	59,772
II.								
Assets	900,630	33,146	53,810	24,489	182,624	1,194,701	△115,612	1,079,089
Depreciation expenses	60,817	2,940	2,660	728	1,679	68,826	0	68,826
Capital expenditures	28,816	5,922	6,720	1,712	568	43,741	0	43,741

(million yen)

FY2000	Overseas shipping	Ferry/ domestic shipping	Shipping agents & harbor/ terminal operation	Cargo for-warding & ware-housing	Others	Total	Elimi-nation	Consoli-dated
I. Revenues								
1) Revenues from customers, unconsolidated subsidiaries and affiliated companies	714,153	33,628	43,276	52,093	44,716	887,866	-	887,866
2) Inter-segments revenues	6,705	3,160	37,099	753	18,826	66,544	△66,544	-
Total Revenues	720,858	36,788	80,375	52,846	63,542	954,411	△66,544	887,866
Operating expenses	646,839	36,850	77,053	52,200	60,632	873,575	△63,947	809,627
Operating income	74,018	△61	3,321	646	2,910	80,835	△2,596	78,239
II.								
Assets	946,033	53,307	51,509	27,932	185,106	1,263,888	△123,487	1,140,400
Depreciation expenses	61,281	3,728	2,350	653	1,813	69,826	0	69,826
Capital expenditures	61,723	810	4,589	849	725	68,698	0	68,698

10. Market Value Information on Securities

1. Bonds to be held to maturity with market values

As of March 31, 2002 (million yen)

	Book value	Market Value	Difference
Market values above book values	-	-	-
Market values less than book values	40	40	-
Total	40	40	-

2. Other securities with market values

The securities are restated at the mark to market.

As of March 31, 2002 (million yen)

	At cost	Market value	Difference
Market values above cost	19,713	41,350	21,637
Market values less than cost	20,850	15,629	△5,220
Total	40,564	56,980	16,416

3. Major components of other securities not valued at market

As of March 31, 2002 (million yen)

	Book value
(1) Securities to be held to maturity	
Unlisted foreign bonds	-
Others	127
(2) Other securities	
Unlisted securities (excluding OTC-traded stocks)	11,502
Unlisted foreign bonds	1,001
Others	1,903

11. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(million yen)

	As of March 31,2002		As of March 31,2001		Increase/ Decrease
	Amount	%	Amount	%	
(Assets)					
Current assets	166,045	30.6	164,265	30.3	1,780
Fixed assets	375,932	69.4	378,621	69.7	△2,689
(Tangible fixed assets)	(202,822)	(37.4)	(209,880)	(38.7)	(△7,058)
(Intangible fixed assets)	(4,604)	(0.9)	(5,175)	(0.9)	(△571)
(Investments and other assets)	(168,505)	(31.1)	(163,564)	(30.1)	(4,941)
Total Assets	541,977	100.0	542,886	100.0	△909

(Notes)

	As of March 31, 2002	As of March 31, 2001
1. Accumulated depreciation for tangible fixed assets	204,870 million yen	208,780 million yen
2. Contingent liabilities		
Guarantee	445,162 million yen	439,739 million yen
Co-debtors' share in jointly guarantee obligations	100,183million yen	103,915 million yen

(million yen)

	As of March 31,2002		As of March 31,2001		Increase/ Decrease
	Amount	%	Amount	%	
(Liabilities)					
Current liabilities	223,685	41.3	216,901	40.0	△6,784
Non-current liabilities	160,259	29.5	176,874	32.5	△16,615
Total Liabilities	383,944	70.8	393,776	72.5	△9,832
(Shareholders' Equity)					
Common stock	64,915	12.0	64,915	12.0	-
Legal surplus	52,414	9.7	51,806	9.5	608
Retained earnings	32,276	5.9	32,388	6.0	△112
Revaluation of investments in marketable securities	9,056	1.7	-	-	9,056
Treasury shares	△629	△0.1	-	-	△629
Total Shareholders' Equity	158,033	29.2	149,110	27.5	8,923
Total Liabilities and Total Shareholders' Equity	541,977	100.0	542,886	100.0	△909

(2) Non-Consolidated Statements of Income

(million yen)

	FY2001		FY2000		Increase/Decrease	
	Amount	%	Amount	%	Amount	%
Operating revenues						
Shipping revenues						
Freight	486,811		482,052		4,759	1.0
Charterage received	183,591		174,968		8,623	4.9
Other shipping revenues	20,253		22,666		△2,413	△10.6
Sub total	690,656	99.5	679,687	99.5	10,969	1.6
Other operating revenues	3,197	0.5	3,479	0.5	△282	△8.1
Operating revenues, total	693,854	100.0	683,167	100.0	10,687	1.6
Operating expenses						
Shipping expenses						
Voyage expenses	250,564		239,318		11,246	4.7
Vessel expenses	23,350		24,005		△655	△2.7
Charterage paid	314,534		299,551		14,983	5.0
Other shipping expenses	43,765		44,293		△528	△1.2
Shipping expenses, total	632,214	91.1	607,168	88.9	25,046	4.1
Other operating expenses	1,494	0.2	1,467	0.2	27	1.8
General and administrative expenses	23,939	3.5	22,434	3.3	1,505	6.7
Operating expenses, total	657,647	94.8	631,070	92.4	26,577	4.2
Operating income	36,206	5.2	52,096	7.6	△15,890	△30.5
Non-operating income						
Interest and dividends received	6,495		5,044		1,451	28.8
Other non-operating income	1,349		7,804		△6,455	△82.7
Non-operating expenses, total	7,844	1.1	12,848	1.9	△5,004	△38.9
Non-operating expenses						
Interest expense	9,185		10,377		△1,192	△11.5
Other non-operating expenses	3,673		3,232		441	13.6
Non-operating expenses, total	12,858	1.8	13,609	2.0	△751	△5.5
Ordinary income	31,192	4.5	51,336	7.5	△20,144	△39.2
Special profits						
Profits on sale of fixed assets	1,193		6,010		△4,817	
Profits on sale of investment securities	812		4,045		△3,233	
Gain on liquidation of subsidiaries	-		1,578		△1,578	
Gain on establishment of pension trust	-		11,647		△11,647	
Special credits and profits, total	2,006	0.2	23,281	3.4	△21,275	△91.4
Special losses						
Losses on sale of fixed assets	1,843		1,259		584	
Losses on sale of investment securities	5,993		3,359		2,634	
Valuation loss on investment securities	834		1,302		△468	
Valuation loss on stocks of subsidiaries	4,829		8,046		△3,217	
Loss on liquidation of subsidiaries and affiliates	2,530		18,003		△15,473	
Loss on devaluation of golf club membership	-		158		△158	
Special retirement benefit paid	846		851		△5	
Allowance for doubtful receivables	1,062		-		1,062	
Terminal business rationalization expenses	263		-		263	
Loss on liquidation of resort business	1,485		-		1,485	
Lump-sum amortization of shortfall due to new retirement benefit accounting standard	-		16,222		△16,222	
Losses on cancellation of charter agreement	-		1,453		△1,453	
Special deduction and losses, total	19,690	2.8	50,657	7.4	△30,967	△61.1
Income before income tax	13,508	1.9	23,960	3.5	△10,452	△43.6
Corporate income tax, residents tax, and enterprise tax	2,878	0.4	16,438	2.4	△13,560	△82.5
Corporate income tax adjustment	4,051	0.6	△6,761	△1.0	10,812	△159.9
Net income	6,577	0.9	14,282	2.1	△7,705	△53.9
Retained earnings brought forward	9,949	1.5	1,973	0.3	7,976	404.3
Reversal of reserve for share repurchases	-		5,304		△5,304	-
Shares repurchased using retained earnings	-		5,304		△5,304	-
Unappropriated income	16,527	2.4	16,255	2.4	272	1.7

(3) Non-Consolidated Statements of Appropriation

(million yen)

	FY2001	FY2001	Increase/decrease
Unappropriated income	16,527	16,255	272
Reversal of reserve for share buyback for capital reduction	-	695	△695
Reversal of reserve for special depreciation	2,053	1,761	292
Reversal of reserve for overseas investment loss, etc.	1	1	△0
Reversal of reserve for advanced depreciation of assets to be replaced	16	17	△1
Total	18,598	18,731	△133
To be appropriated as follows:			
Legal reserve	-	608	△608
Dividends	6,016 (¥5 per share)	6,021 (¥5 per share)	△5
Directors' bonus	60	60	-
Reserve for special depreciation	-	2,092	△2,092
Reserve for overseas investment loss, etc.	-	0	△0
Retained earnings carried forward	12,521	9,949	2,572
Total	18,598	18,731	△133