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

May 18, 2001

Mitsui O.S.K. Lines, Ltd.

- Annual Results: Fiscal Year 2000 ended March 31, 2001 -

1. Consolidated Results for fiscal year 2000 (from April 1, 2000 to March 31, 2001)

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

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

FY1999: ¥106.15 (actual rate at the year-end of March 31, 2000)

(1) Operational Results

(million yen except earning per share)

	FY2000	FY1999
Revenues	¥887,866	¥881,807
Operating income	¥78,239	¥61,320
Ordinary income	¥53,020	¥28,635
Income before income taxes	¥20,860	¥15,314
Net income	¥10,943	¥8,324
Earning per share	¥9.01	¥6.77
Rate of return on equity	7.4%	5.6%
Rate of return (ordinary income) on assets	4.5%	2.3%
Profit (ordinary income) margin ratio	6.0%	3.2%

(million U.S. dollar)

	FY2000	FY1999
Revenues	$7,166	$8,307
Operating income	$631	$578
Ordinary income	$428	$270
Income before income taxes	$168	$144
Net income	$88	$78

(2) Financial Position

(million yen except shareholders' equity per share)

	FY2000	FY1999
Total Assets	¥1,140,400	¥1,196,474
Shareholders' equity	¥144,355	¥151,992
Equity ratio	12.7%	12.7%
Shareholders' equity per share	¥119.88	¥123.63

(million U.S. dollar)

	FY2000	FY1999
Total Assets	$9,204	$11,272
Shareholders' equity	$1,165	$1,432

(3) Cash Flows

(million yen)

	FY2000	FY1999
Cash flows from operating activities	¥91,019	¥76,577
Cash flows from investing activities	¥47,214	¥19,336
Cash flows from financing activities	△¥129,909	△¥105,214
Cash & cash equivalent at the end of the fiscal year	¥55,289	¥45,713

(million U.S. dollar)

	FY2000	FY1999
Cash flows from operating activities	$735	$721
Cash flows from investing activities	$381	$182
Cash flows from financing activities	△$1,048	△$991
Cash & cash equivalent at the end of the fiscal year	$446	$431

(4) Other Information

i) Foreign Exchange Information

	FY2000	FY1999	Increase/decrease
Average internal exchange rate	1US$=¥109.71	1US$=¥111.90	＋ ¥ 2.19 (＋ 2.0%)
Actual rate at the end of the period	1US$=¥123.90	1US$=¥106.15	△ ¥17.75 (△16.7%)

(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, 2000 (TTM)	December 31, 1999 (TTM)	Increase/decrease
Actual rate at the end of the period	1US$=¥114.75	1US$=¥102.40	△ ¥12.35 (△12.1%)

ii) Depreciation Expenses

(million yen)

	FY2000	FY1999	Increase/decrease
Vessels	63,464	55,112	8,352
Others	6,362	6,749	△387
Total	69,826	61,862	7,964

iii) Outstanding Interest-bearing Debt

(million yen)

	As of March 31, 2000	As of March 31, 1999	Increase/decrease
Borrowings	649,458	722,735	△73,277
Straight bonds issued	83,006	108,638	△25,632
Commercial paper	10,000	-	10,000
Leasing	2,147	2,251	△104
Total	744,612	833,625	△89,013

(5) Forecast for the fiscal year 2001 ending March 31, 2002

*Estimation for FY2001: Exchange rate 1US$=¥115.0, Bunker price US$140/MT

(million yen)

	1st half of FY2001	FY2001
Revenues	¥460,000	¥920,000
Ordinary income	¥25,000	¥51,000
Net income	¥11,000	¥23,000

(million U.S. dollar)

	1st half of FY2001	FY2001
Revenues	$4,000	$8,000
Ordinary income	$217	$443
Net income	$96	$200

2. Non-Consolidated Results for fiscal year 2000 (from April 1, 2000 to March 31, 2001)

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

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

FY1999: ¥106.15 (actual rate at the year-end of March 31, 2000)

(1) Operational Results

(million yen except earning per share)

	FY2000	FY1999
Revenues	¥683,167	¥651,936
Operating income	¥52,096	¥34,044
Ordinary income	¥51,336	¥29,153
Income before income taxes	¥23,960	¥13,838
Net income	¥14,282	¥8,701
Earning per share	¥11.75	¥7.08
Rate of return on equity	9.7%	6.1%
Rate of return (ordinary income) on assets	9.2%	4.9%
Profit (ordinary income) margin ratio	7.5%	4.5%

(million U.S. dollar)

	FY2000	FY1999
Revenues	$5,514	$6,142
Operating income	$420	$321
Ordinary income	$414	$275
Income before income taxes	$193	$130
Net income	$115	$82

(2) Dividends

	Dividend per share			Total dividends paid (per year)	Dividend pay-out ratio	Dividend ratio to Shareholders' equity
		Interim	Yearly	(Millions of yen)		
FY2000	¥5.00	-	¥5.00	6,021	42.2%	4.0%
FY1999	¥4.00	-	¥4.00	4,917	56.5%	3.4%

May 18, 2001

(3) Forecast for the fiscal year 2001 ending March 31,2002

*Estimation for FY2001: Exchange rate 1US$=¥115.0, Bunker price US$140/MT

(million yen)

	1st half of FY2001	FY2001
Revenues	¥350,000	¥700,000
Ordinary income	¥22,000	¥45,000
Net income	¥10,000	¥21,000

(million U.S. dollars)

	1st half of FY2001	FY2001
Revenues	$3,043	$6,087
Ordinary income	$191	$391
Net income	$87	$183

<u>(Revenues' breakdown)</u>

(million yen)

	FY2001	FY2000
Liners	¥290,000	¥272,428
Bulkers & Car Carriers	¥255,000	¥253,335
Tankers & Gas Carriers	¥145,000	¥145,582
Others	¥7,000	¥8,341
Other Operation	¥3,000	¥3,479

(million U.S. dollars)

	FY2001	FY2000
Liners	$2,522	$2,199
Bulkers & Car Carriers	$2,217	$2,045
Tankers & Gas Carriers	$1,261	$1,175
Others	$61	$67
Other Operation	$26	$28

3. Overview of the MOL group

The term "the Company" in the consolidated financial statements refers to the parent company and its 295 consolidated subsidiaries as well as 36 affiliated companies accounted for by the equity method. The grand total of consolidated subsidiaries and affiliates accounted for by the equity method is 331.

The Company is a comprehensive sea, land and air transportation service organization based in Japan and operating worldwide. Consolidated business results are separated into five segments for reporting purposes: overseas shipping, ferry/domestic shipping, shipping agent and harbor/terminal operation, cargo forwarding and warehousing, and others. These classifications are the same as those shown in the "Segment Information" section of this report. Some additional information is set forth below in order to define each segment and identify composites of each segment.

[Overseas Shipping]

Consolidated subsidiaries & affiliates accounted for by the equity method: 230 companies

The Company operates containerships, bulk carriers, specialized carriers, liquefied gas carriers, and oil tankers to provide shipping service all over the world, to earn ocean freights, charter hires, and vessel operation commissions as its principal revenues. Subsidiaries and affiliates classified in this segment are separated into three sub-categories; i.e. 1) vessel operation companies which are directly involved in cargo transportation using owned or chartered vessels by themselves to earn ocean freights as revenues, 2) companies which own ships and charter out their ships to ship operating companies in the group, and 3) ship management companies which provide manning, ship maintenance, and other ship management services. Major subsidiaries and affiliates engaged in the first sub-category, vessel operating companies, are M.O. Seaways, Ltd., Tokyo Marine Co., Ltd., Navix Kinkai, Ltd. (consolidated subsidiaries), and Daiichi Chuo Kisen Kaisha, Asahi Tanker Co., Ltd. (equity method affiliates). On July 1, 2001, the intra-Asia operating division of Navix Kinkai, Ltd. will be combined with the operations of M.O. Seaways, Ltd. under the name Mitsui O.S.K. Kinkai, Ltd. With this unification, Navix Kinkai, to be renamed, Navix Naikou, Ltd. will specialize 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 M.O. Ship Management Co., Ltd. In addition, the Company operates a cruise ship business through a consolidated subsidiary, Mitsui O.S.K. Passenger Line, Ltd.

[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 Blue Highway Line Corporation, and The Diamond Ferry Co., Ltd. Major equity method affiliates engaged in ferry/domestic shipping business are Kyusyu Kyuko Ferry Co., Ltd., and Meimon Taiyo Ferry Co., Ltd. With the reorganization of the MOL Group domestic ferry business, operation of the Blue Highway Line Corporation and Blue Highway Line Nishi-Nihon Corporation will cease by the end of this year. A new company called Shosen Mitsui Ferry Co., Ltd. will mainly serve Kanto-Hokkaido routes, starting operation in July 2001.

Tugboat operations are operated 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: 32 companies

Shipping agent and harbor/terminal operations are conducted by subsidiaries and affiliates. Companies which belong to this segment are separated into two sub-categories; 1) companies which serve as shipping agents to handle sales of cargo space and port operation of the MOL group, and 2) companies involved in harbor transportation and terminal operations and customs clearance businesses. The major subsidiary involved in the shipping agency business is MOL Japan, Ltd. The principal harbor/terminal operators in the second sub-category are International Container Terminal Co., Ltd., The 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

The Company's operation comprises cargo forwarding and warehousing through its subsidiaries and affiliated companies. The Company regards such businesses as important to accomplish thorough transportation service based on the total logistics or combined and comprehensive service to cover all of ocean transportation, land transportation, and air cargo transportation. The segment is separated into companies mainly engaged in cargo forwarding utilizing multi-modal transportation and related logistics, and companies engaged in warehousing and related businesses. Major consolidated subsidiaries in the former sub-category are M.O. Air System, Inc., Kitanihon Kosan K.K., and MOL Logistics (USA) Inc. And, one of the subsidiaries in the latter sub-category is M.O. Logistics Netherlands B.V.

[Other Businesses]

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

The Company directly runs the business of office rental. Besides, 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, which trades bunker oil, ship supplies, machinery, etc.
* Kusakabe Maritime Engineering Co., Ltd. (a consolidated subsidiary), a construction company.
* Daibiru Corporation (an equity method affiliate), a office rental and real estate company.
* Euromol B.V. (a consolidated subsidiary), a financing company mainly specialized in group finance for the MOL Group.

Others include subsidiaries and affiliates operating computer and information technology services, temporary staffing, etc. On April 1, 2001, MOL Management Service, Limited and Pro-Staff Service, Co., Ltd. merged. The new company name is Mitsui O.S.K. Carrier Service Support, Ltd., and it provides temporary staff services.

4. Management Policies

Basic Policies

Mitsui O.S.K. Lines, Ltd. (MOL) formulated the following MOL Group Corporate Principles in April 2001, based on the three pillars – "Contribute to 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 the environment by maintaining strict standards for safe operation and navigation.

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 operating environment and volatility in freight 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.

Furthermore, with a view to increasing equity per share, the General Shareholders' Meeting on June 27, 2000 approved an amendment to the company's articles of incorporation to allow more flexibility in the repurchase of company shares based on a resolution by the Board of Directors. As a result of this, the Board of Directors on July 28, 2000, passed a resolution authorizing the repurchase and retirement of the company's common stock up to the value of ¥6 billion, or 24 million shares. The repurchase and retirement of 24 million shares was subsequently completed during the interim period.

Mid- and Long-Term Management Strategies

Since the April 1999 merger with Navix Line, MOL has vigorously implemented the MOL Group's three-year management plan -- Mitsui O.S.K. Lines' Strategy Towards 21 (MOST21) -- and achieved its major goals a year ahead of the initial plan. As a result, we developed a new mid-term management plan, the Mitsui O.S.K. Lines' new expansion target (MOL next) to serve as our springboard for further growth and development into this challenging, exciting new era. With the goal of making the MOL Group a resilient, world-leading shipping company in the 21st century, the company will invest management resources in fields expected to enjoy future growth, including liner operations and resource and energy transport, to pursue both business scale and profits. We will also further strengthen MOL Group management by selecting core business segments and concentrating management resources there.

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

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 shareholder value, the company has embarked on a comprehensive management restructuring since 2000. The objectives are to strengthen corporate governance and ensure faster, more efficient decision-making. Measures include the following:

* Introduction of executive officer assignment system and revitalize the Board of Directors;
* Appointment of outside directors;
* Launch of the Corporate Visionary Meeting;
* Establishment of the Executive Committee to make high-level decisions regarding execution of policy, replacing the Managing Directors Committee.
* Introduction of stock option system.

Future Issues

Phase 1 of MOL's Creative and Aggressive Redesigning (MOCAR) action plan was launched in September 1994 to make MOL more competitive. Specifically, the aim was to resume dividend payments and establish a stable dividend system by strengthening cost competitiveness, and reinforce corporate governance by improving overall group management.

While continuing to strengthen cost competitiveness in MOL *next*, the new mid-term management plan that started this year, we are allocating management resources to business fields and markets that are expected to see future growth, expanding business on a global scale, and jointly pursuing business scale and profits. We are also working to further strengthen group management by selecting key business segments and concentrating our management resources on them.

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

Group Environmental Policy Statement and publishing the MOL Environmental Report. 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."

5. Business Performance

I. Overview

(1) Business environment

Looking at the world economy, the United States, after 10 years of economic expansion, showed signs of a slowdown in the second half, while the European economy also registered a slight pullback in the second half due to the effects of rising interest rates and higher crude oil prices. Asian countries showed high growth rates due to an export-led economic recovery, although expansion slowed in the second half as a result of a worldwide fall in demand in the IT sector that began in the United States. While Japan's economy showed a slight recovery mainly in the corporate sector, delays in structural reform and an unstable political situation caused stock prices to fall sharply, while the economic slowdown in the United States and Asia clouded the outlook for the future.

The business environment for our main business, the international shipping industry showed a worsening of profit-loss factors, such as the slight rise in the yen's value during the first half, and the large increase in bunker oil prices due to a rise in crude oil prices as OPEC reduced production. Nevertheless, improving liner, bulkers and specialized carriers, and tanker markets combined with aggressive sales activities and efforts at strengthening cost competitiveness to help MOL improve the profit-loss situation markedly. Moreover, the company began to see the effects of the merger with Navix, specifically, the elimination of overlapping business regions and operations in group-affiliated companies both in Japan and overseas. MOL also continued its efforts to strengthen the group's general business infrastructure.

<u>Business results</u>

Consolidated business results for the year showed revenues of ¥887.8 billion (a 0.7% increase over the previous fiscal year), while operating income of ¥78.2 billion (a 27.6% increase) and ordinary income of ¥53.0 billion (a 85.2% increase) marked all-time highs. With a write-off of the unfunded pension liabilities, the net income was ¥10.9 billion (a 31.5% rise from FY1999).

In addition, MOL's non-consolidated results showed revenue of ¥683.1 billion (a 4.8% increase over the previous fiscal year), while operating income of ¥52.0 billion (a 53.0% increase), ordinary income of ¥51.3 billion (a 76.1% increase), and net income was ¥14.2 billion (a 64.1% increase) were all-time high figures.

Based on these results, MOL plans to increase dividends for FY2000 to ¥5 per share.

(2) Segment Results

Overseas shipping

In the Liner Divisions, cost reductions and route rationalizations continued to progress under the regional control structure centered around the three hubs of Asia, North America, and Europe. Along with our efforts to improve cargo collection and utilization factor, this resulted in higher profitability. Looking at the bulkers and specialized carriers businesses, MOL saw improvement in charter rates, secured profitable contracts, and stepped up efforts to improve cost competitiveness and boost efficiency of fleet operation, all of which contributed to higher profitability than in FY1999. Tanker and liquefied natural gas (LNG) carrier operations moved ahead in developing a more competitive fleet, launching new ships, securing new medium- to long-term contracts and renewing existing contracts to improve profitability. Passenger ships were reduced to two vessels as part of a rationalization program. However, a continued slump in personal consumption dampened growth in this sector.

Overseas shipping revenue totaled ¥720.8 billion (a 3.2% increase over the previous fiscal year) and operating income were ¥74.0 billion (a rise of 27.4%).

Ferry/domestic shipping

In ferry operations, Japan's ongoing recession and an increasingly competitive business environment, coupled with the effects of higher bunker prices, resulted in stagnant performance. In tugboat operations, merger-led rationalization and elimination of excess tonnage, along with reduction of general management expenses, led to improved performance.

Revenue in this sector totaled ¥36.7billion (a decrease of 3.7% compared to FY1999) and the operating loss was ¥61.0 million.

Shipping agent and harbor/terminal operations

In the container terminal business, an increase in cargo volume resulting from stronger liner traffic brought a major improvement in operating income. The domestic distribution division offset the combined effects of a stagnant Japanese economy and increased competition with personnel restructuring and continued.

Revenue in this sector came to ¥80.3 billion (a 6.4% decrease of the previous fiscal year) and operating income were ¥3.3 billion (a 72.7% increase of the previous fiscal year).

Cargo forwarding and warehousing operations

In overseas logistics operations, MOL's U.S. distribution subsidiary was reorganized and merged in July 2000 to form MOL Logistics (USA), a move intended to make more efficient use of business resources and strengthen groupwide distribution functions.

Air freight business was continued progress in reducing costs. Nevertheless, the slowdown of the U.S. economy led to a decline in cargo traffic for the second half of FY2000, and performance did not improve.

Revenue in this sector totaled ¥52.8 billion (a 24.5% decrease of the previous fiscal year) and operating profits were ¥0.6 billion (a 5.0% decrease of the previous fiscal year).

<u>Other operations</u>

In the trading business, Mitsui O.S.K. Techno-Trade was established in April 2000 as one part of the group reorganization and merger activities, and the subsidiary showed improved performance. Kusakabe Maritime Engineering showed strong improvement as the second phase of Kansai International Airport construction got under way.

Revenue in this sector totaled ¥63.5 billion (an 8.7% increase of the previous fiscal year) and operating profit was ¥2.9billion (a 1.8% increase of the previous fiscal year).

II. Outlook for FY2001

In FY2001, the slowdown in the U.S. economy will become more marked, and its effects threaten to spread to the world economy. As a result, we can expect a continued severe business environment, particularly in overseas shipping. In addition, the future of Japan's economy is becoming increasingly cloudy as the U.S. and Asian economies slow, and domestic operations are also likely to face difficult conditions. Nevertheless, strengthening and reorganization of ferry operations and other strategic businesses should lead to improvement in profitability.

In April, MOL launched a new medium-term business plan, MOL next, aimed at achieving continued improvements in cost competitiveness focusing business resources on business areas poised for future growth. The result will be more effort toward continued groupwide growth and a stronger business infrastructure.

For FY2001, we anticipate consolidated revenue of ¥920 billion, ordinary income of ¥51 billion, and net income of ¥23 billion. MOL's non-consolidated revenue is expected to reach ¥700 billion, with ordinary income of ¥45 billion and net income of ¥21 billion.

These projections are based on a presumed exchange rate of ¥115 /US$, and bunker oil prices of US$140/MT.

If we achieve these revenue and profit targets, we are anticipating a dividend of ¥7 per share.

6. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(million yen)

	As of March 31,2001		As of March 31,2000		Increase/ Decrease
	Amount	%	Amount	%	
(Assets)					
Current assets	255,774	22.4	239,858	20.0	15,916
Fixed assets	884,626	77.6	946,682	79.1	△62,056
(Tangible fixed assets)	(691,306)	(60.6)	(756,624)	(63.2)	(△65,318)
(Intangible fixed assets)	(10,826)	(1.0)	(10,649)	(0.9)	(177)
(Investments and other long-term assets)	(182,493)	(16.0)	(179,408)	(15.0)	(3,085)
Foreign exchange translation adjustment account	-	-	9,932	0.9	△9,932
Total Assets	1,140,400	100.0	1,196,474	100.0	△56,074

(Note)		As of March 31, 2001	As of March 31, 2000
	Contingent Liabilities		
	Guarantee	32,929 million yen	34,292 million yen
	Co-debtors' share of joint guarantee	103,646 million yen	94,226 million yen

(million yen)

	As of March 31,2001		As of March 31,2000		Increase/ Decrease
	Amount	%	Amount	%	
(Liabilities)					
Current liabilities	399,995	35.1	412,717	34.5	△12,722
Non-current liabilities	588,689	51.6	623,843	52.1	△35,154
Total Liabilities	988,685	86.7	1,036,561	86.6	△47,876
Minority interest	7,359	0.6	7,921	0.7	△562
(Shareholders' Equity)					
Common stock	64,915	5.7	64,915	5.4	-
Additional paid-in capital	43,886	3.8	43,886	3.7	-
Consolidated surplus	43,433	3.8	43,198	3.6	235
Translation adjustment	△7,595	△0.6	-	-	△7,595
Treasury stock	△284	△0.0	△8	△0.0	△276
Total Shareholders' Equity	144,355	12.7	151,992	12.7	△7,637
Total Liabilities, Minority interest, and Total Shareholders' Equity	1,140,400	100.0	1,196,474	100.0	△56,074

(2) Consolidated Statements of Income

(million yen)

	FY2000		FY1999		Increase/Decrease	
	Amount	%	Amount	%	Amount	%
Shipping and other operating revenues	887,866	100.0	881,807	100.0	6,059	0.7
Shipping and other operating expenses	732,511	82.5	746,047	84.6	△13,536	△1.8
Gross operating income	155,354	17.5	135,759	15.4	19,595	14.4
General and administrative expenses	77,115	8.7	74,439	8.4	2,676	3.6
Operating income	78,239	8.8	61,320	7.0	16,919	27.6
Non-operating income:						
Interest and dividends	3,550		4,439			
Equity in earnings of affiliated companies	3,680		1,403			
Others	11,987		9,208			
Total	19,218	2.1	15,051	1.7	4,167	27.7
Non-operating expenses:						
Interest	39,465		39,085			
Others	4,970		8,651			
Total	44,436	5.0	47,736	5.4	△3,300	△6.9
Ordinary income	53,020	5.9	28,635	3.3	24,385	85.2
Special profits:						
Profits on sale of fixed assets	10,662		7,891			
Others	16,943		6,987			
Total	27,605	3.1	14,879	1.6	12,726	85.5
Special losses:						
Losses on sale of fixed assets	14,317		6,157			
Others	45,448		22,042			
Total	59,765	6.7	28,199	3.2	31,566	111.9
Income before income taxes	20,860	2.3	15,314	1.7	5,546	36.2
Corporate income tax, resident tax, and enterprise tax	19,472	2.2	6,427	0.7	13,045	203.0
Corporate income tax adjustment	△7,708	△0.9	529	0.1	△8,237	-
Profit/loss(△) on minority interest	△1,846	△0.2	33	0.0	△1,879	-
Net Income	10,943	1.2	8,324	0.9	2,619	31.5

(3) Consolidated Statements of Surplus

(million yen)

	FY2000	FY1999	Increase/ decrease
Consolidated surplus at the beginning of the year	43,198	37,899	5,299
Past tax effect adjustment account	-	985	△985
Total	43,198	38,884	4,314
Increase in consolidated surplus			
Increase in retained earnings due to merger	-	947	△947
Increase in retained earnings due to inclusion of companies accounted for by the equity method	-	875	△875
Increase in retained earnings due to exclusion of consolidated subsidiaries	-	170	△170
Decrease in consolidated surplus			
Dividends	4,917	4,431	486
Directors' bonus	136	128	8
Decrease in retained earnings due to inclusion of consolidated subsidiaries	-	1,376	△1,376
Decrease in retained earnings due to exclusion of consolidated subsidiaries	227	-	227
Decrease in retained earnings due to exclusion of companies accounted for by the equity method	123	67	56
Share repurchases	5,304	-	5,304
Net income	10,943	8,324	2,619
Consolidated surplus at the end of the year	43,433	43,198	235

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:	Mainly at cost based on the moving average method
Inventories:	Mainly at cost based on the moving average method.
Derivatives:	Mainly at market.

(2) Depreciation

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

(3) Provisions

(a) Allowance for Doubtful Receivables

Allowance for general receivables is 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 a provision in the period based on the portion of the estimated lump-sum retirement and pension payments at the end of the fiscal year that are applicable to the period. The entire expense of ¥23,808 million resulting from a change in the accounting method for retirement benefits was recognized during the 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.

(4) Shipping Revenues and Related Expenses

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

(5) Conversion of Foreign-Currency Assets and Liabilities

Monetary assets and liabilities denominated in currencies other than yen are converted into yen using the exchange rates prevailing as of March 31, 2001. Any resulting changes in the values of these assets and liabilities are recorded as non-operating gains and losses. Assets, liabilities, revenues and expenses of foreign subsidiaries are converted into yen using exchange rates prevailing as of March 31, 2001, differences being accounted for as an exchange rate adjustment within equity.

(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
Interest rate swaps	Loans and bonds

(c) Hedging policy

In accordance with the Company's internal regulations and outlines on managing market risk, hedging instruments 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.

(8) The Company adopts the "without consumption tax" accounting method, in which the Company recognizes revenue net of consumption tax. Consumption tax is recognized as prepaid tax on the balance sheet, and therefore it does not affect income statements.

II. Evaluation of Consolidated Subsidiaries' Assets and Liabilities

The Company uses the market-price valuation method for evaluation of all consolidated subsidiaries' assets and liabilities.

III. Depreciation of Consolidation Adjusting Accounts

The Company in principle equally depreciates consolidation adjusting accounts over five years. However, the consolidated adjusting account of MOL-NIC Transport Ltd. at the time of its merger with the former Burmah Transport Holdings Ltd., and that of BLNG Inc., are equally depreciated over 14 years, the period covering the economic effects.

IV. Distribution of Earnings

The consolidated statement of surplus is based on the Company's earnings, those of consolidated companies, and those accounted for by the equity method during the fiscal year.

V. Scope of Statements of Cash Flows

Cash and cash equivalents listed on the 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. 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

(1) Accounting for Retirement Allowances

Effective from this fiscal year ended March 31, 2001, the company adopted a new accounting standard for the recognition of retirement allowances. The adopted standard was promulgated in the Business Accounting Deliberation Council's paper "Opinion Concerning the Establishment of Accounting Standard for Retirement Benefits" issued on June 16, 1998. Furthermore, accruals related to retirement allowances and past service costs of the corporate pension plan are included in the reserve for retirement benefits.

(2) Accounting for Financial Instruments

Effective from this fiscal year ended March 31, 2001, the company adopted a new accounting standard for financial instruments. 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. Short-term investments and bonds to be held until maturity that will mature within a year are included as current assets, and the remainder as investment securities. Furthermore, the company undertook an examination of the respective objectives of marketable securities held at the beginning of the period. In the period ended March 31, 2001, other securities that have market values are not valued at market.

(3) Accounting for Foreign Currency Denominated Transactions

Effective from this fiscal year ended March 31, 2001, the company adopted a revised accounting standard for the treatment of foreign currency denominated transactions. The adopted standard was promulgated in the Business Accounting Deliberation Council's paper "Opinion Concerning Revision of Accounting Standard for Foreign Currency Translation" issued on October 22, 1999. Under the new regulations for the presentation of consolidated financial statements, the foreign exchange adjustment, which had been included in assets, is now included in equity and minority interests.

(4) Accounting for air-line commission

Airline commissions for export cargo in consolidated air freight businesses operated by the MOL consolidated subsidiary M.O. Air System, Ltd. was previously accounted as shipping and other operating revenues. However, beginning with this fiscal year, it was changed to decrease of shipping and other operating expenses. This change reduced revenue by ¥19,736 million, and also reduced expenses by the same amount.

9. Segment Information

(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

(million yen)

FY1999	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	694,728	36,211	38,530	69,253	43,084	881,807	-	881,807
2) Inter-segments revenues	3,957	1,981	47,339	706	15,386	69,371	△69,371	-
Total Revenues	698,685	38,193	85,869	69,959	58,470	951,179	△69,371	881,807
Operating expenses	640,607	37,751	83,946	69,279	55,611	887,196	△66,709	820,487
Operating income	58,077	441	1,923	680	2,859	63,982	△2,661	61,320
II.								
Assets	1,018,576	56,569	41,974	20,637	182,149	1,319,907	△123,433	1,196,474
Depreciation expenses	53,646	3,932	1,830	704	1,747	61,862	-	61,862
Capital expenditures	49,738	4,867	3,042	866	3,463	61,979	-	61,979

10. Market Value Information on Securities

1. Securities to be held to maturity with market values

(million yen)

As of March 31, 2001	Book value	Market value	Difference
(1)National & regional government bonds	5	5	0
(2)Corporate bonds	29	29	0
Total	34	34	0

2. Major components of other securities not valued at market (except 1.)

(million yen)

As of March 31, 2001	Book value
(1) Other securities	
Unlisted securities (excluding OTC-traded stocks)	13,852
Unlisted bonds	1,500
Others	1,500

(Reference)

	As of March 31, 2000		
	Book value	Market value	Unrealized gain/loss
(Current assets)			
Stocks	5,660	13,670	8,010
Bonds	1,642	1,680	37
Others	244	206	△37
Sub total	7,547	15,557	8,009
(Fixed assets)			
Stocks	60,099	119,322	59,222
Bonds	2,204	2,220	15
Others	2,692	2,670	△21
Sub total	64,997	124,214	59,217
Total	72,545	139,771	67,226

(Notes)

1. Determination of market value

1) Listed securities:	Use closing prices at the Tokyo Stock Exchange on the last trading day of the accounting period
2) Over-the-counter securities:	Use prices quoted by the Securities Dealers Association on the last trading day of the accounting period
3) Securities whose prices are available only by indication (Other than 1), 2))	Use reference prices quoted by the Securities Dealers Association on the last trading day of the accounting period
4) Unlisted mutual funds (unit trust) or beneficiary certificates	Use prices quoted by securities houses

2. Book value of securities other than the above mentioned

(Current assets)	- Stocks unlisted and not traded over-the counter	¥971 million
	- Notes and bonds unlisted	¥3,295 million
	- Others	¥851 million
(Fixed assets)	- Securities and other investment instruments unlisted and not traded over-the counter	¥72,840 million
	- Unlisted foreign bonds	¥1,907 million

11. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(million yen)

	As of March 31,2001		As of March 31,2000		Increase/ Decrease
	Amount	%	Amount	%	
(Assets)					
Current assets	164,265	30.3	162,140	28.3	2,125
Fixed assets	378,621	69.7	410,043	71.7	△31,422
(Tangible fixed assets)	(209,880)	(38.7)	(226,917)	(39.7)	(△17,037)
(Intangible fixed assets)	(5,175)	(0.9)	(5,160)	(0.9)	(15)
(Investments and other assets)	(163,564)	(30.1)	(177,965)	(31.1)	(△14,401)
Total Assets	542,886	100.0	572,182	100.0	△29,297

(Notes)

	As of March 31, 2001	As of March 31, 2000
1. Treasury stocks		
contained in marketable securities	4 million yen (18,378 shares)	8 million yen (46,229 shares)
contained in investment securities	250 million yen (1,050,000 shares)	- (- shares)
2. Accumulated depreciation for tangible fixed assets	208,780 million yen	215,262 million yen
3. Contingent liabilities		
Guarantee	439,739 million yen	477,271 million yen
Co-debtors' share in jointly guarantee obligations	103,915 million yen	94,717 million yen

(million yen)

	As of March 31,2001		As of March 31,2000		Increase/ Decrease
	Amount	%	Amount	%	
(Liabilities)					
Current liabilities	216,901	40.0	223,082	39.0	△6,181
Non-current liabilities	176,874	32.5	203,952	35.6	△27,078
Total Liabilities	393,776	72.5	427,034	74.6	△33,258
(Shareholders' Equity)					
Common stock	64,915	12.0	64,915	11.3	-
Legal surplus	51,806	9.5	51,304	9.0	502
Retained earnings	32,388	6.0	28,929	5.1	3,459
Total Shareholders' Equity	149,110	27.5	145,149	25.4	3,961
Total Liabilities and Total Shareholders' Equity	542,886	100.0	572,183	100.0	△29,297

(2) Non-Consolidated Statements of Income

(million yen)

	FY2000		FY1999		Increase/Decrease	
	Amount	%	Amount	%	Amount	%
Operating revenues						
Shipping revenues						
Freight	482,052		454,501		27,551	6.1
Charterage received	174,968		170,249		4,719	2.8
Other shipping revenues	22,666		23,703		△1,037	△4.4
Sub total	679,687	99.5	648,454	99.5	31,233	4.8
Other operating revenues	3,479	0.5	3,481	0.5	△2	△0.1
Operating revenues, total	683,167	100.0	651,936	100.0	31,231	4.8
Operating expenses						
Shipping expenses						
Voyage expenses	239,318		226,322		12,996	5.7
Vessel expenses	24,005		26,953		△ 2,948	△ 10.9
Charterage paid	299,551		295,081		4,470	1.5
Other shipping expenses	44,293		45,496		△1,203	△2.6
Shipping expenses, total	607,168	88.9	593,854	91.1	13,314	2.2
Other operating expenses	1,467	0.2	1,429	0.2	38	2.7
General and administrative expenses	22,434	3.3	22,607	3.5	△173	△0.8
Operating expenses, total	631,070	92.4	617,892	94.8	13,178	2.1
Operating income	52,096	7.6	34,044	5.2	18,052	53.0
Non-operating income						
Interest and dividends received	5,044		7,111		△ 2,067	△ 29.1
Other non-operating income	7,804		5,594		2,210	39.5
Non-operating expenses, total	12,848	1.9	12,706	2.0	142	1.1
Non-operating expenses						
Interest expense	10,377		11,765		△ 1,388	△ 11.8
Other non-operating expenses	3,232		5,831		△ 2,599	△ 44.6
Non-operating expenses, total	13,609	2.0	17,597	2.7	△3,988	△22.7
Ordinary income	51,336	7.5	29,153	4.5	22,183	76.1
Special profits						
Profits on sale of fixed assets	6,010		2,531		3,479	
Profits on sale of investment securities	4,045		3,731		314	
Gain on liquidation of subsidiaries	1,578		-		1,578	
Gain on establishment of pension trust	11,647		-		11,647	
Profits on cancellation of charter agreements	-		1,503		△ 1,503	
Reversal of provisions for statutory overhaul	-		451		△ 451	
Reversal of allowance for doubtful receivables	-		100		△ 100	
Special credits and profits, total	23,281	3.4	8,318	1.2	14,963	179.9
Special losses						
Losses on sale of fixed assets	1,259		2,457		△ 1,198	
Losses on sale of investment securities	3,359		5,358		△ 1,999	
Valuation loss on investment securities	1,302		248		1,054	
Valuation loss on stocks of subsidiaries	8,046		-		8,046	
Loss on liquidation of subsidiaries and affiliates	18,003		7,366		10,637	
Loss on devaluation of golf club membership	158		-		158	
Special retirement benefit paid	851		749		102	
Lump-sum amortization of shortfall due to new retirement benefit accounting standard	16,222		-		16,222	
Amortization of under-funded pension plans	-		5,442		△ 5,442	
Losses on cancellation of charter agreement	1,453		1,205		248	
Merger temporary expenses	-		804		△804	
Special deduction and losses, total	50,657	7.4	23,633	3.6	27,024	114.3
Income before income tax	23,960	3.5	13,838	2.1	10,122	73.1
Corporate income tax, residents tax, and enterprise tax	16,438	2.4	4,286	0.7	12,152	283.5
Corporate income tax adjustment	△6,761	△1.0	850	0.1	△7,611	△895.4
Net income	14,282	2.1	8,701	1.3	5,581	64.1
Retained earnings brought forward	1,973	0.3	1,409	0.2	494	33.4
Reversal of reserve for share repurchases	5,304		-		5,304	-
Shares repurchased using retained earnings	5,304		-		5,304	-
Adjustment account for application of Deferred Tax Accounting to accounting/tax differences of previous years	-		△ 1,107	△ 0.1	1,107	-
Reversal of reserve accounts associated with introduction of Deferred Tax Accounting	-		5,405	0.8	△5,405	-
Unappropriated income	16,255	2.4	14,479	2.2	1,776	12.3

(3) Non-Consolidated Statements of Appropriation

(million yen)

	FY2000	FY1999	Increase/decrease
Unappropriated income	16,255	14,479	1,776
Reversal of reserve for share buyback for capital reduction	695	-	695
Reversal of reserve for special depreciation	1,761	1,666	95
Reversal of reserve for overseas investment loss, etc.	1	1	△ 0
Reversal of reserve for advanced depreciation of assets to be replaced	17	9	8
Reversal of special account of reserve for advanced depreciation of assets to be replaced	-	147	△147
Total	18,731	16,305	2,426
To be appropriated as follows:			
Legal reserve	608	501	107
Dividends	6,021 (¥5 per share)	4,917 (¥4 per share)	1,104
Directors' bonus	60	100	△ 40
Reserve for share buyback for capital reduction	-	6,000	△ 6,000
Reserve for special depreciation	2,092	2,484	△ 392
Reserve for overseas investment loss, etc.	0	0	△ 0
Reserve for advanced depreciation of assets to be replaced	-	328	△ 328
Retained earnings carried forward	9,949	1,973	7,976
Total	18,731	16,305	2,426