(Unwarranted translation of “kessan tanshin”, provided for reference purposes only)

May 23, 2000

Consolidated Annual Results for Fiscal Year 1999 ended March 31, 2000

Mitsui O.S.K. Lines, Ltd.

Stock Exchange (Section): (Listed at) Tokyo, Osaka, Nagoya (First Section)
Kyoto, Fukuoka, Sapporo, Frankfurt
Code Number: 9104
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Meeting of Board of Directors held: May 23, 2000

1. Results of Fiscal Year ended March 31,2000 (from April 1, 1999 to March 31, 2000)

(1) Operational Results

	Revenues	Operating Income	Ordinary Income	Net Income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2000	881,807 (9.0%)	61,320 (14.5%)	28,635 (33.3%)	8,324 (18.8%)
1999	809,160 (△3.1%)	53,536 (13.5%)	21,480 (86.4%)	7,009 (△16.8%)

	Earnings per Share	Earnings per share after adjustment for potential dilution	Rate of Return on Equity	Rate of Return on Assets (before special items)	Profit Margin Ratio (Ordinary Income/ Revenue)
	Yen	Yen	%	%	%
2000	6.77	—	5.6	2.3	3.2
1999	6.33	—	5.0	1.8	2.7

(Note) ① Earnings on investments in affiliated companies to which the Equity Method is applied: 1,403 million yen
(Year ended March 31, 1999: 4,126 million yen)
② •Unrealized Gains (Losses) on Marketable Securities : 67,226 million yen
(Difference between market prices and book values)
•Unrealized Gains (Losses) on Derivatives Contracts: △14,004 million yen
(Difference between market prices and book values)
③ Change in Accounting Method: NIL
④ Percent: Increase/Decrease against corresponding period of the previous year on Net Sales, Operating Income, Ordinary Income, and Net Income.

(2) Financial Position

	Total assets	Shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2000	1,196,474	151,992	12.7	123.63
March 31, 1999	1,174,640	140,489	12.0	126.81

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalent at end of the fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2000	76,577	19,336	△105,214	45,713
1999	—	—	—	—

(4) Scope of Consolidation and Application of the Equity Method

Consolidated subsidiaries : 291
Subsidiary accounted for by the equity method : 0
Affiliates accounted for by equity method : 38

(5) Changes in Consolidation and Application of the Equity Method

Consolidation	(Added)	: 107	Equity Method	(Added)	: 20
	(Excluded)	: 12		(Excluded)	: 10

2. Forecast for the Fiscal Year ending March 31, 2001 (from April 1, 2000 to March 31, 2001)

	Revenues	Ordinary Income	Net Income
	Millions of yen	Millions of yen	Millions of yen
First half of the fiscal year	440,000	17,000	1,000
Fiscal year	880,000	32,000	2,000

(Reference) Estimated Net Income per Share for the year ending March 31, 2001: ¥ 1.63

1. Overview of the MOL group

The term "the Company" in the consolidated financial statements refers to the parent company and its 291 consolidated subsidiaries as well as 38 affiliated companies accounted for by the equity method.

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 purpose: overseas shipping, ferry/domestic shipping, shipping agent and harbor/terminal operation, cargo forwarding and warehousing, and others. These classifications are the same as 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 and affiliates accounted for by the equity method: 219 companies

The Company operates container ships, bulk carriers, specialized carriers, oil tankers, and Liquefied Gas carriers to provide shipping service all over the world, to earn ocean freights, charter hires, and vessel operation charges as its principal revenues. Subsidiaries and affiliates classified in this segment are distinguished 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) ship owning companies which own vessels and charter them out 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). Major companies engaged in the second sub-category, ship owning companies, are International Energy Transport Co., Ltd., International Marine Transport Co., Ltd., and Mitsui Kinkai Kisen Co., Ltd. (all consolidated subsidiaries). Ship management companies, sub-categorized in the third, includes M.O. Ship Management Co., Ltd. In addition, the Company does cruise ship business through a consolidated subsidiary, Mitsui O.S.K. Passenger Line, Ltd.

[Ferry/Domestic Shipping]
Consolidated subsidiaries and affiliates accounted for by the equity method: 12 companies

Through subsidiaries and affiliates, the Company operates domestic ferry transportation services, mostly along Pacific Ocean coastal and in Setouchi Inland See, and other domestic shipping services such as tagboat operations at the major ports in Japan. Major consolidated subsidiaries in this segment are Blue Highway Line Corporation, The Diamond Ferry Co., Ltd., and Ehime-Hanshin Ferry Co., Ltd. Major equity method affiliates engaged in ferry/domestic shipping business are Kyusyu Kyuko Ferry Co., Ltd., and Meimon Tiyo Ferry Co., Ltd. Tugboat operations are operated by the consolidated subsidiaries such as Nihon Tug-boat Co., Ltd., Green Kaiji Kaisha, Ltd., and Kyusyu Tugboat Co., Ltd.

[Shipping Agent and Harbor/Terminal Operation]

Consolidated subsidiaries and affiliates accounted for by the equity method: 34 companies

Shipping agent and harbor/terminal operations are conducted by its subsidiaries and affiliates. Companies which belong to this segment are separated into two broad sub-categories; 1) companies whose business is shipping agency to conduct sales for cargo freight and supporting jobs related to vessels' coastal operation of the MOL group companies in principle, and 2) companies involved in harbor transportation and terminal operations and customs clearance businesses. Major subsidiary of all in shipping agency business is MOL Japan Co., Ltd. Principal harbor/terminal operator 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 and affiliates accounted for by the equity method: 23 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. When dividing the segment into 1) companies mainly engaged in cargo forwarding utilizing multi-modal transportation and related logistics, and 2) companies engaged in warehousing and its related business. Major consolidated subsidiaries in the former sub-category are M.O. Air System, Inc., Kitanihon Kosan K.K., and AMT Freight, Inc. in the U.S. And, one of the most important subsidiaries in the latter sub-category is M.O. Logistics Netherlands B.V. in the Netherlands.

[Other Businesses]

Consolidated subsidiaries and affiliates accounted for by the equity method: 41 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 OSK Kogyo Kaisha (consolidated subsidiaries), a trading house, which trades bunker oil, ship supplies, machinery, etc.
- Kusakabe Maritime Engineering Co., Ltd. (consolidated subsidiaries), a maritime engineering and dreding company.
- Daibiru Corporation (equity method affiliates), a office rental and real estate company.
- Euromol B.V. (consolidated subsidiaries), a financing company mainly specialized in group finance for the MOL Group.

Others include subsidiaries and affiliates operating computer and information technology service, manpower solution business, etc.

Next page is the organization of MOL Group

MOL Organization

(Segments)	(Departments)	(the Company)		(Subsidiaries and Affiliates)
Overseas Shipping	Vessel operation	Mitsui O.S.K. Lines, Ltd.	co-owned vessels etc.	M.O.Seaways, Ltd. Tokyo Marine Co., Ltd. Navix Kinkai, Ltd. **Act Maritime Co., Ltd. **Asahi Tanker Co.,Ltd. **Daiichi Chuo Kisen Kaisha and 11 others total: 17 companies
	Charter		vessel lease etc.	International Marine Transport Co.,Ltd. Mitsui Kinkai Kisen Co., Ltd. ◇International Energy Transport Co.,Ltd. **Osaka shipping Co., Ltd. and 185 others total: 189 companies
	Ship management		service offering etc.	M.O.Ship Management M.O.Cableship and 10 others total: 12 companies
	Cruise business		vessel lease etc.	Mitsui O.S.K. Passenger Line, Ltd. total: 1 company
Ferry/ Domestic Shipping	Ferry/Domestic shipping			Ehime-Hanshin Ferry Co., Ltd. Diamond Ferry Co., Ltd Blue Highway Line Corporation **Kyodo Kisen **Kyushu Kyuko Ferry Co.,Ltd. **Meimon Taiyo Ferry Co., Ltd. and 2 others total: 8 companies
	Tugboat operation		service offering etc.	Kyushu Tugboat Co.,Ltd. Nihon Tug-Boat Co., Ltd. Green Kaiji Kaisha, Ltd. and one other total: 4 companies
Shipping Agent and Harbor /Terminal Operation	Transportation agency		service offering etc.	MOL Japan Ltd. Green Shipping, Ltd. Chugoku Shipping Agencies Ltd. Mitsui O.S.K Lines (America) Inc. and 16 others total: 20 companies
	Harbor transportation/ custom clearance agency		service offering etc.	Interanational Container Terminal Co., Ltd. The Shousen Koun Co., Ltd., Japan Express Co., Ltd., (Kobe) Japan Express Co., Ltd., (Yokohama) Kitanihon Soko Koun Co., Ltd. ◇International Container Transport Co., Ltd. **Utoc Corporation **Seitetsu Unyu Trans Pacific Container Service Corp. and 5 others total: 14 companies
Cargo Forwarding and Warehousing	Cargo forwarding		service offering etc.	M.O. Air System Kitanihon Kousan AMT Freight, Inc. and 10 others total: 13 companies
	Warehousing		service offering etc.	M.O.Logistics Netherlands B.V. **Cougar Holdings Pte Ltd. and 8 others total: 10 companies
Other Businesses	Real Estate/related businesses		real estate lease etc.	Shousen Mitsui Kosan **Daibiru Corporation and 3 others total: 5 companies
	Finance		wage loaning etc.	Euromol B.V. Mitsui O.S.K. Finance Plc. and 15 others total: 17 companies
	Others		service offering/ sales of fuel and supplies	M.O.Ship Tech Inc. Kusakabe Maritime Engineering Co., Ltd. Mitsui O.S.K. Kogyo Kaisha, Ltd. MOL Information Systems Ltd. Nippon Engineering & Machineries Co., Ltd. and 14 others total: 19 companies

Grand total: 329 companies

(Notes) no mark : consolidated subsidiary
◇ : consolidated subsidiary by actual governance criteria
** : equity method affiliate

2. Management Policies

1. Basic Management Policies

The merger of MOL and Navix Line as of April 1, 1999 created one of the world's largest shipping companies. The Company has started its operation as a new "Mitsui O.S.K. Lines, Ltd." with its well-diversified revenue structure among the three principal business areas of overseas shipping; containerships, bulk carriers, and energy –related vessels.

In 1994, the Company embarked on "MOL's Creative and Aggressive Redesigning Project (MOCAR)", in which the Company continued to exert itself to enhance competitiveness in the global marketplace of the respective business fields, to improve performance of its group companies as a whole, to rebuild robust financial structure to enable stable dividend payments and secure appropriate return on capital to shareholders, and to pursue safety first in operation and protection of the priceless global marine environment. The Company have entered into the third phase of its reengineering project in this fiscal year, which was named "Mitsui O.S.K. Lines' strategy Towards 21st Century (MOST 21)".

Principal objectives of the "MOST 21" among others are to place its business operations on the front edge of the international and domestic markets in terms of both service quality and cost competitiveness, to maximize synergies of the merger in every single opportunity throughout the whole MOL group companies, to restore higher profitability of the operation and financial stability which enable stable dividend as much as 5 yen per share of 50 yen face value in the near future, and ultimately to maximize shareholders' value of the Company. Flying the banner of such goals, the Company has been and is still tackling vigorously for establishing robust foundation of the Corporation, believing in further development and great leap for success in the 21st century.

In the "MOST 21", the Company set up the target results for the fiscal year ending March 2002 at 880 billion yen of consolidated revenues and 37 billion yen of consolidated ordinary income, to achieve consolidated ROE of 10 percent. In the same program, the Company stated that total interest-bearing debt outstanding as of the end of March 2002 should be down to 780 billion yen on the consolidated base (on the assumption that exchange rate is ¥120 per US dollar).

2. Basic Policy for Appropriating/Distribution of Earnings

The Company recognizes maximizing return to its shareholders as one of the most important management objectives. While considering it essential for the management to strengthen its financial constitution that enables it to secure sustainable profitability even in adverse business climate in freight markets, foreign exchange, and bunker prices, etc., as well as to retain some of earnings necessary for future development of its business operations, the Company makes it the principal policy to pay sufficient dividend constantly to meet the requirement of shareholders for return on capital.

The Company plans to propose, as an agenda at the general shareholders' meeting to be held on June 27, 2000, to change bylaw to enable share buybacks for capital reduction. This alteration of bylaw facilitates mobile execution of share buybacks by the resolution of its board of directors' meetings. The management considers share buybacks to be an effective measure, when appropriately executed, in view of returning some of its economic value to shareholders by way of raising net asset value per share.

3. Management Reform and enhanced Corporate Governance

In response to the dramatic change of the concept of corporate governance recently in Japan, in which capital market discipline under the global standard demands for transparency of management, highly competitive business strategy, efficient use of management resources, improved returns on the employed capital, and eventually maximization of the corporate value, the Company plans to implement a major reorganization and reengineering of the management system, effective as from the fiscal year 2000. The primary purpose of the reorganization is to create a highly efficient organization that can respond quickly to market needs (i.e. quick decision-making and prompt execution of the strategies). It includes engagement of directors outside of the Company, introduction of the executive officer assignment system, reengineering of management decision system (establishing a new management council as a supreme decision-making organization in lieu of the managing directors' meetings currently in force, assuming extensive assignment of authority to execute business operation from the board of directors to the executive officers), and finally introduction of stock option program.

4. Further Issues to be tackled for Solutions by the Company

The Company presumes that business environment will continue to be difficult and it may scatter clouds on its performance of operations. Major risk factors which may impact the Company's performance adversely are appreciation of the yen against U.S. dollar, higher bunker prices, rising interest rates, combined with possible downturn of U.S. economy. Besides, The management of the Company assumes that vertical and horizontal integration of businesses will continue to be the trend domestically and globally. And, most industries including but not limited to car manufacturing and oil refinery/distribution industries are involved in the massive movement of integration and realignment. The Company recognizes that the shipping industry cannot stand on the sideline, and such movement of integration does affect its business operations. To cope with such dramatically changing business environment, the Company regards speed of management and quick and expedient response to changing business climate is vital for its operation to survive and develop further.

Under the circumstances, the Company has determined to devote itself to strengthen competitiveness, reallocate available management resources most efficiently, and rebuild financial strength, and continue its utmost efforts to achieve the goals set up in the "MOST 21".

3. Operating Results

1. Overview

(1). Business environment and results

The fiscal year under review saw continued strength in the U.S. economy, as well as expansion in the European economy. In Asia, the economies have generally shown signs of continued recovery from the stagnation they have suffered since 1997 due to the effect of various policy measures and growth in exports, especially in data and telecommunication devices. The economic recovery was slow in Japan, owing to the continued sluggishness in consumer spending and private sector capital investments, although there were some positive impacts from anti-recessionary policy measures, government-led reforms in the country's financial systems, and the boost in exports to Asia following the economic recovery in the region.

The overseas shipping business faced harsh conditions particularly in the second half of the year, as a result of the appreciation of the yen, the hike in fuel prices caused by rising crude oil prices from lower OPEC output, and unfavorable freight and charter market conditions in the tramp and the tanker sectors. In the meantime, the company made continued efforts to improve its bottom line profits and to maximize the benefits of the merger with Navix Line, Ltd., by expanding its business, rationalizing its operations, and by drastically reducing costs.

The company succeeded in recovering profitability in liner operations, thanks to the freight rate restoration backed by the strong demand for Asian exports, and to its own success in reduction of costs and improvement in sales activities. In the ferry and tugboat operations (Ferry/Domestic Shipping) the company continued its effort to rationalize its operations in order to deal with the deteriorating business environment largely attributed to Japan's sluggish economy and the soaring price of fuel. The company has also focused on eliminating redundancies within the group following the merger; it has taken firm steps to consolidate or to eliminate subsidiaries and affiliates with overlapping businesses or geographical service areas, both in Japan and overseas.

As a result, in terms of consolidated annual results for the year ended 31 March, 2000, shipping and other revenues increased 9.0% to ¥881.8 billion, operating income was up 14.5% to ¥61.3 billion, and ordinary income was up 33.3% to ¥28.6 billion, all compared to the previous fiscal year ended March 31, 1999. These are all-time highs for the company. The net income was ¥8.3 billion (up 18.8% from the previous term). As for the non-consolidated annual results, the company secured revenues of ¥651.9 billion (up 11.3% from the previous term ended March 31, 1999), operating income of ¥34 billion (up 28.0% from the previous term), ordinary income of ¥29.2 billion (up

60.6% from the previous term), and net income of ¥8.7 billion (down 4.8% from the previous term). On the basis of these results, the Company plans to maintain the annual dividend of four yen (¥4) per share.

(2). Results by Segment

1) Overseas Shipping

In the liner sector, the company achieved a large improvement in profitability, bringing this sector back into the black. Results benefited from the company's effort over the years which include the structuring of an efficient global operation, various programs for cutting costs and boosting of marketing capabilities. In addition, freight rates were partly restored particularly on main routes due to strong demand for exports from Asia. In the bulk and specialized carrier businesses, while the second half of the year have seen some positive signs from increase in Japanese crude steel production, continued economic boom in the U.S. and the recovery of the Asian economies, the profit and loss accounts for these businesses showed a downturn from the previous year, deeply affected by the sharp decline in freight and charter markets along with the rise in fuel prices. The profit and loss accounts for the tanker sector also deteriorated, due to the drop in market levels, owing to the slowdown of cargo movements in oil and petroleum products. The liquefied gas carrier division posted improved profits based on long-term contracts, as compared to the previous term, having seen deliveries of new LNG carriers to its fleet.

The company disposed of one old passenger vessel during the term which resulted in decreased revenues from the cruise business. However, owing to the efforts in reducing expenses, the business achieved an operating income more or less unchanged from that of the previous year.

As a result of the above, the company has posted a revenue of ¥698.7 billion (up 9.3% from the previous term), operating income of ¥58.1 billion (up13.5% from the previous term).

2) Ferry/Domestic Shipping

Although the company made efforts to rationalize the business as well as completed the newly constructed high speed ferry, SUNFLOWER TOMAKOMAI, which found a new niche of customers, the revenues and operating income in the ferry and domestic shipping businesses have decreased. This is largely due to the decline in both the number of passengers and the volume of cargo, caused by the lingering recession in Japan along with the impact of soaring bunker prices. On the other hand, in the tugboat business, the company has posted an improved operating profit compared to the previous term, thanks to its efforts in streamlining the allocation of business resources following the merger with Navix Line, Ltd. by merging or disposing of group companies, and in reducing operating costs. As a result, this sector has achieved a revenue of 38.2 billion yen (down 0.4% from the previous year), operating income of 0.4 billion yen (up 176.3% from the previous year).

3) Shipping Agents and Harbor/Terminal Operation

As one of the drastic measures to innovate the management of the company's liner business, MOL (Japan) Co., Ltd. was established in April 1999 consolidating responsibility for all liner agency operations in Japan including sales, customer service and administration of local agents.

During the fiscal year, in face of the continuing recession in Japan, the company has rationalized its domestic logistics businesses by merging operations of group logistic companies in the Keihin region .

As a result, this sector has achieved revenues of 85.9 billion yen (up 9.9% from the previous year), operating income of 1.9 billion yen (up 18.9% from the previous year).

4) Cargo Forwarding and Warehousing

The overseas cargo forwarding business achieved a large improvement in operating income compared to the previous term thanks to the increased cargo movements in Asia. In the air freight business as well, the company has achieved increase in cargo volume and improvement in operating results, in this case largely attained by efforts made by the sales force, and also from the ongoing rationalization of costs which started the previous year.

As a result, this sector has achieved revenues of 70 billion yen (down0.8% from the previous year), operating income of 0.7 billion yen (previous year was 0).

5) OtherBusinesses

The company has been taking firm steps to consolidate or eliminate overlapping group companies in this sector following the merger with Navix Line, Ltd., to pursue efficiency by better allocating resources within the group, while the operations suffered heavily from factors such as heightened competition in the trading business and the delay of orders in domestic port construction businesses.

This sector has posted revenues of 58.5 billion yen (up 10.9% from the previous year), operating income of 2.9 billion yen (down 37.5% from the previous year).

2. The outlook for the next fiscal year ending March 31, 2001

The company does not expect the business environment surrounding overseas shipping for the next fiscal year ending March 31, 2001 to be an easy one, taking into account the concerns over the appreciation of the yen and the rise in interest rates, high bunker prices, and the uncertainty in the outlook of the U.S. economy. Moreover, businesses in the Ferry/Domestic shipping sector as well as the Shipping Agents and Harbor/Terminal Operation sector are most likely to deal with still difficult management business environment due to Japan’s prolonging recession plagued by the low levels of consumer spending and private sector capital investments.

Under these circumstances, the company is determined to push ahead with the implementation of the third phase of MOL’s Creative and Aggressive Redesigning Project, namely MOST21, to improve sales output, strengthen competitiveness both in service quality and cost structure. The company will further concentrate on making the most of the advantages brought by the merger, and fortify our group based managing structure.

MOL’s forecasts for the consolidated annual results of the fiscal year ending 31 March, 2001 are as follows:
Revenues of ¥880 billion, ordinary income of ¥32 billion, and net income ¥2 billion after amortizing unfunded pension liabilities described later.
The non-consolidated annual results of the next fiscal year are forecasted as follows: a revenue of 650 billion yen, ordinary income of 30 billion yen and net income of ¥10 billion. All figures are based on the following assumptions:

Exchange rate: ¥105 /US $,
Bunker oil price: US$140/MT

On the assumption that the forecasted profits will be achieved, the company aims to pay cash dividends of four (4) to five (5) yen per share.

New accounting principles regarding employees’ retirement benefit took effect in Japan from April 1, 2000. Consolidated unfunded pension liabilities recognized by the company after applying the new accounting principle will amount to 25 billion yen (of which 16.2 billion yen is of the non-consolidated parent) calculated on a discount rate of 3%. Of these, the company will write off the non-consolidated unfunded pension liabilities of 16.2 billion yen by contributing certain marketable securities to an employee retirement benefit trust before September 30, 2000. Unfunded pension liabilities for consolidated subsidiaries and affiliates, which amounts to 8.8 billion yen, will be written off before March 31, 2001.

4. Consolidated Financial Statements

(1). Consolidated Balance Sheets

As of March 31, 2000 and 1999

(Millions of yen)

	2000		1999		Increase/
	Amount	%	Amount	%	Decrease
(Assets)					
Current assets	239,858	20.0	230,994	19.7	8,864
Cash and time deposits	48,097		48,340		△ 243
Notes & accounts receivable, trade	101,406		82,964		18,442
Marketable securities	12,666		30,560		△ 17,894
Inventories	12,380		8,564		3,816
Deferred and prepaid expenses	35,446		27,017		8,429
Deferred tax asset	1,644		—		1,644
Other current assets	28,731		33,956		△ 5,225
Allowance for doubtful receivables	△ 514		△ 409		△ 105
Fixed assets	946,682	79.1	935,976	79.7	10,706
(Tangible fixed assets)	(756,624)	(63.2)	(753,347)	(64.1)	(△ 3,277)
Vessels	599,271		601,096		△ 1,825
Buildings and structures	40,035		38,630		1,405
Machinery, equipment, vehicles, and delivery equipment	6,380		5,419		961
Furniture and fixtures	3,820		3,993		△ 173
Land	69,520		65,724		3,796
Construction in progress	36,065		37,802		△ 1,737
Other tangible fixed assets	1,530		681		849
(Intangible fixed assets)	(10,649)	(0.9)	(8,268)	(0.7)	(2,381)
Consolidation adjusting account (Goodwill)	4,197		5,254		△ 1,057
Other intangible fixed assets	6,451		3,013		3,438
(Investments and other long-term assets)	(179,408)	(15.0)	(174,362)	(14.9)	(5,046)
Investment securities	139,746		142,210		△ 2,464
Long-term loans receivable	8,410		8,067		343
Long-term prepaid expenses	1,362		4,429		△ 3,067
Deferred tax asset	3,256		—		3,256
Other investments and other long-term assets	30,048		21,713		8,335
Allowance for doubtful receivables	△ 3,416		△ 2,058		△ 1,358
Foreign exchange translation adjustment account	9,932	0.9	7,667	0.6	2,265
Total Assets	1,196,474	100.0	1,174,640	100.0	21,834

(Note) Contingent Liabilities	2000	1999
Guarantee	34,292 million yen	39,509 million yen
Co-debtors' share of joint guarantee	94,226 million yen	106,011 million yen

(Millions of yen)

Item	2000 Amount	2000 %	1999 Amount	1999 %	Increase/ Decrease
(Liabilities)					
Current liabilities	412,717	34.5	337,416	28.7	75,301
Notes & accounts payable, trade	92,999		72,010		20,989
Bonds to be redeemed within a year	43,642		33,435		10,207
Short-term loans payable	188,733		153,323		35,410
Corporate tax, etc. payable	3,044		5,365		△ 2,321
Advance payments received	51,900		42,863		9,037
Deferred tax liabilities	199		—		199
Reserves	4,450		3,889		561
Other current liabilities	27,746		26,528		1,218
Non-current liabilities	623,843	52.1	689,950	58.8	△ 66,107
Bonds	64,996		94,945		△ 29,949
Long-term loans payable	534,002		575,417		△ 41,415
Deferred tax liabilities	4,342		—		4,342
Reserves	12,727		10,269		2,458
Other non-current liabilities	7,774		9,318		△ 1,544
Total Liabilities	1,036,561	86.6	1,027,367	87.5	9,194
Minority interest	7,921	0.7	6,783	0.6	1,138
(Shareholders' Equity)					
Common stock	64,915	5.4	58,840	5.0	6,075
Additional paid-in capital	43,886	3.7	43,751	3.7	135
Consolidated surplus	43,198	3.6	37,899	3.2	5,299
Treasury stock	△8	△0.0	△2	△0.0	△6
Total Shareholders' Equity	151,992	12.7	140,489	11.9	11,503
Total Liabilities, Minority interest, and Shareholders' Equity	1,196,474	100.0	1,174,640	100.0	21,834

(2). Consolidated Statements of Income

Years ended March 31, 2000 and 1999

(Millions of yen)

	2000		1999		Increase/Decrease	
	Amount	%	Amount	%	Amount	%
Shipping and other operating revenues	881,807	100.0	809,160	100.0	72,647	9.0
Shipping and other operating expenses	746,047	84.6	683,041	84.4	63,006	9.2
Gross operating income	135,759	15.4	126,118	15.6	9,641	7.6
General and administrative expenses	74,439	8.4	72,581	9.0	1,858	2.6
Operating income	61,320	7.0	53,536	6.6	7,784	14.5
Non-operating income	15,051	1.7	14,900	1.8	151	1.0
Non-operating expenses	47,736	5.4	46,956	5.8	780	1.7
Ordinary income	28,635	3.3	21,480	2.6	7,155	33.3
Special credits and profits	14,879	1.6	10,665	1.3	4,214	39.5
Special deductions and losses	28,199	3.2	16,808	2.0	11,391	67.8
Net income before tax	15,314	1.7	15,337	1.9	△ 23	△ 0.1
Corporate income tax, resident tax, and enterprise tax	6,427	0.7	8,362	1.0	△ 1,935	△ 23.1
Corporate income tax adjustment account	529	0.1	—		529	—
Profit / loss（△） on minority interest	33	0.0	△ 34	△ 0.0	67	—
Net income	8,324	0.9	7,009	0.9	1,315	18.8

(3). Consolidated Statements of Surplus

Years ended March 31, 2000 and 1999

(Millions of yen)

	2000	1999	Increase/Decrease
Consolidated Surplus at beginning of year	37,899	—	
Retained earnings at beginning of year	—	28,577	
Legal reserve at beginning of year	—	6,524	
Past tax effect adjustment account	985	—	
Total	38,884	35,102	3,782
Increase in consolidated surplus			
Increase in retained earnings due to merger	947	—	947
Increase in retained earnings due to exclusion of companies accounted for by the equity method	875	—	875
Increase in retained earnings due to inclusion of consolidated subsidiaries	—	210	△ 210
Increase in retained earnings due to exclusion of consolidated subsidiaries	170	79	91
Decrease in consolidated surplus			
Dividends	4,431	4,431	0
Directors' bonuses	128	52	76
Decrease in retained earnings due to inclusion of consolidated subsidiaries	1,376	—	1,376
Decrease in retained earnings due to exclusion of companies accounted for by the equity method	67	—	67
Decrease in retained earnings due to inclusion of companies accounted for by the equity method	—	18	△ 18
Net income	8,324	7,009	1,315
Consolidated Surplus at end of year	43,198	37,899	5,299

(4). Consolidated Statements of Cash Flows

Year ended March 31, 2000

(Millions of yen)

	2000
Ⅰ. Cash flows from operating activities:	
Net income before tax	15,314
Depreciation and amortization	61,862
Increase in reserves	△ 3,362
Interest and dividend, receivable	△ 4,439
Interest, payable	39,085
Profit / loss on sale of marketable securities	△ 3,254
Earnings on investments in equity method affiliates	△ 1,403
Loss on elimination and sale of tangible fixed assets	△ 1,733
Loss on devaluation of investment securities	1,391
Profit / loss on sale of investment securities	1,333
Increase in accounts receivable, trade	△ 13,322
Increase in inventories	△ 2,402
Increase in accounts payable, trade	16,261
Others	6,469
Sub total	111,801
Interest and dividend, received	7,445
Interest, paid	△ 33,925
Corporation income tax etc., paid	△ 8,743
Net cash provided by operating activities	76,577
Ⅱ. Cash flows from investing activities:	
Payments for investment in marketable and investment securities	△ 34,311
Proceeds from sale of marketabke and investment securities	57,196
Payments for investment in tangible fixed assets	△ 60,484
Proceeds from sale of tangible fixed assets	74,636
Disbursements for loans	△ 30,286
Collections of loans receivable	16,705
Others	△ 4,121
Net cash used in investing activities	19,336
Ⅲ. Cash flows from financing activities	
Net increase in short-term debt	1,282
Proceeds from long-term debt	94,884
Repayments of long-term debt	△ 182,661
Proceeds from issuance of bonds	5,660
Repayments of bonds	△ 19,449
Cash dividends, paid	△ 4,636
Others	△ 294
Net cash provided by financing activities	△ 105,214
Ⅳ. Effect of exchange rate changes on cash and cash equivalents	△ 3,588
Ⅴ. Net decrease in cash and cash equivalents	△ 12,889
Ⅵ. Cash and cash equivalents at the beginning of year	43,244
Ⅶ. Increase in cash and cash equivalents due to merger	13,097
Ⅷ. Increase in cash and cash equivalents due to increase/decrease in consolidated subsidiaries	2,261
Ⅸ. Cash and cash equivalents at the end of year	45,713

(5). Applicable Accounting Principles

1. Scope of consolidation

Consolidated subsidiaries : 291 companies (including 9 companies which are consolidated on the basis of effective governance by the parent)

As of the end of the previous year, the number of consolidated subsidiaries was 196. Following the merger with Navix Line as of April 1, 1999, 49 subsidiaries were added to it. During the current fiscal year, 58 subsidiaries were newly consolidated and 12 subsidiaries were eliminated from consolidation.

2. Application of the equity method

(1) Unconsolidated subsidiaries which are accounted for by the equity method : NIL

As of the end of the previous year, only one unconsolidated subsidiary was accounted for by the equity method. Following the merger, three were added to it. During the current fiscal year, no such subsidiary was added, and four subsidiaries were eliminated from the category of unconsolidated subsidiaries to which the equity method would be applied.

(2) Affiliated companies accounted for by the equity method : 38 companies (including one affiliate to which the equity method is applied on the basis of adopting significant influence criteria)

As of the end of the previous year, 27 affiliates were accounted for by the equity. Following the merger, 8 affiliates were added on to this category. During the current fiscal year, additional 9 affiliates were newly accounted for by the equity method, and 6 affiliates were eliminated from the category.

3. Accounting periods of consolidated subsidiaries

The closing date of accounting period is December 31 for 13 domestic consolidated subsidiaries and 214 overseas-consolidated subsidiaries, and the end of February for a domestic consolidated subsidiary. Then, the closing dates of those consolidated subsidiaries are different from the closing date of the consolidated financial statements (March 31). Yet, provisional financial statements are not prepared for those companies. However, the Company made adjustments on the financial statements of the subsidiaries and included them into the consolidated financial statements, if any transactions that took place between the two different closing dates were thought to have material impacts on the financial position of the subsidiaries.

4. Accounting principles

(1) Valuation of assets

Marketable Securities : In principle, stated at acquisition costs determined by the moving average method. (The same valuation method is applied to securities held in fund trusts.)

Inventories : In principle, stated at acquisition costs determined by the moving average method.

(2) Depreciation

Vessels	: In principle, the straight-line method is used for depreciating vessels.
Buildings	: In principle, the straight-line method is used for depreciating buildings.
Other tangible fixed assets	: In principle, the declining-balance method is used for depreciating others tangible fixed assets.

(3) Provisions

(a) Allowance for doubtful receivables

Allowance for doubtful receivables is appropriated for the potential loss of bad debt at an estimated amount calculated in accordance with the regulations of the Japanese Corporate Tax Law, taking into consideration of each debtor's financial condition.

(b) Provisions for employees' bonuses

Provisions for bonuses are provided, in an amount, which is accrued during the current period, for the future payments of employees' bonuses.

(c) Provisions for employees' retirement benefit

In principle, the company provides for employees' retirement benefit in an amount of 40% of assumed required fund if all such employees should retire by their own reasons.

(d) Provisions for statutory required overhaul of vessels

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

(4) Shipping revenues and related expenses

Shipping revenues and the related voyage expenses are mainly recognized by the completed-voyage method. Revenues from uncompleted voyages are included in "Advances received" and the related voyage expenses are included in "Deferred and prepaid expenses" in the balance sheets.

5. Value of assets and liabilities of consolidated subsidiaries

The total assets (including portions corresponding to minority interests) are recognized at values reflecting the acquisition price of each subsidiary.

6. Translation of accounts denominated in foreign currencies

All the balance sheet items of overseas-consolidated subsidiaries, except shareholders' equity, denominated in currencies other than yen are translated into yen at the applicable year-end exchange rates of the respective subsidiaries' accounting periods. The translation of foreign currencies into yen conforms to "The accounting and reporting standards with respect to foreign currency transactions" (published by the Japanese Financial Accounting Standards Board as of June 26, 1979, and revised as of May 26, 1995).

7. Appropriation of Retained Earnings

The consolidated statement of retained earnings is provided on the basis of appropriation of retained earnings approved by the general shareholders' meetings of the respective consolidated subsidiaries and subsidiaries/affiliates accounted for by the equity method, held in the consolidated accounting period.

9. Others

As to BGT project, it is operated by the subsidiaries, which have their own corporate bodies legally independent of the Company. The assets of the BGT eight LNG carrier transportation project are held in several subsidiaries of the Company which have their own creditors.

(6). Appendix to the consolidated financial statements

1. Software development expenditure was accounted for on the balance sheet item; "long-term prepaid expenses" of other investments in the previous fiscal year ended March 31, 1999. Yet, in the current fiscal year software is reported on the balance sheet in accordance with the practice guideline (with reference to the report vol. 12 issued by Accounting Method Reform Committee of Japanese Accounting Association on March 31, 1999) in respect of the accounting method to treat expenditures on research and development (R&D) and software development. The Company has changed the applicable balance sheet item to record software development expenditures from "other investments (long-term prepaid expenses)" to "intangible fixed assets (software)", and applies the straight-line depreciation method and the depreciable life of five years (estimated by the Company for the remaining life of use).

2. From this year, the company adopts the Deferred Tax Accounting. In according thereto, "Deferred Tax Asset" of ¥4,901 million (divided into current asset ¥1,644 million and investment and other fixed asset ¥3,256 million), and "Deferred Tax Liability" of ¥4,542 million (current liability ¥199 million, non-current liability ¥4,342 million) are recognized on the balance sheet. At the same time, application of the Deferred Tax Accounting has an impact on its income statement of a decrease in net income by ¥529 million, and an increase in consolidated surplus at end of year by ¥772 million.

(7). Statements of lease transactions

(Millions of yen)

		Years ended March 31 2000	Years ended March 31 1999
Finance leases other than such lease transactions that ownership of leasehold is transferred from lessor to lessee at the end of lease term	As Lessee		
	①. Acquisition Cost		
	(Machinery and tool)	48,475	49,409
	(Others)	1,028	822
	(Total)	49,503	50,232
	Accumulated Depreciation		
	(Machinery and tool)	37,140	36,872
	(Others)	658	400
	(Total)	37,799	37,272
	Balance Outstanding		
	(Machinery and tool)	11,334	12,537
	(Others)	369	422
	(Total)	11,704	12,959
	②.Unexpired lease liability		
	due within 1 year	5,896	6,304
	due thereafter	15,783	18,504
	Total	21,680	24,808
	③. Lease rents paid	7,786	8,214
	Depreciation equivalen	5,145	5,266
	Interest equivalent	1,355	1,657
	④. Determination of depreciation equivalent	Assume leasing period be depreciable life and residual value be 0. Depreciate using straight line method or declining balance method, in same way which would be used if the lease asset was on the balance sheet.	Assume leasing period be depreciable life and residual value be 0. Depreciate using straight line method or declining balance method, in same way which would be used if the lease asset was on the balance sheet.
	⑤. Determination of interest equivalent	Balance between total sum of lease rental payments and acquisition cost of the leasehold is recognized as interest payable. Entry at the end of each year recognizes the lease rentals paid during the year partly as payment of interest on the liability and partly as amortization of the liability.	Balance between total sum of lease rental payments and acquisition cost of the leasehold is recognized as interest payable. Entry at the end of each year recognizes the lease rentals paid during the year partly as payment of interest on the liability and partly as amortization of the liability.
Operating lease	As Lessee		
	①. Unexpired lease liability		
	due within 1 year	6,689	7,939
	due thereafter	20,593	30,651
	Total	27,283	38,591

(Millions of yen)

	Years ended March 31	
	2000	1999
Finance leases other than transactions in which ownership of leasehold is transferred from lessor to lessee at the end of lease term	As Lessor ①.Acquisition Cost (Machinery and tool) 171 (Others) 491 (Total) 663 Accumulated Depreciation (Machinery and tool) 138 (Others) 87 (Total) 225 Balance Outstanding (Machinery and tool) 32 (Others) 404 (Total) 437 ②.Unexpired lease liability due within 1 year 116 due thereafter 413 Total 529 ③. Lease rents received 87 Depreciation equivale 114 Interest equivalent 15 ④. Determination of interest equivalent Balance between total sum of lease rental payments and acquisition cost of the leasehold is recognized as interest payable. Entry at the end of each year recognizes the lease rentals paid during the year partly as payment of interest on the liability and partly as amortization of the liability.	As Lessor ①.Acquisition Cost (Machinery and tool) 161 (Others) 0 (Total) 161 Accumulated Depreciation (Machinery and tool) 93 (Others) 0 (Total) 93 Balance Outstanding (Machinery and tool) 68 (Others) 0 (Total) 68 ②.Unexpired lease liability due within 1 year 33 due thereafter 76 Total 109 ③. Lease rents received 40 Depreciation equivale 25 Interest equivalent 13 ④. Determination of interest equivalent Balance between total sum of lease rental payments and acquisition cost of the leasehold is recognized as interest payable. Entry at the end of each year recognizes the lease rentals paid during the year partly as payment of interest on the liability and partly as amortization of the liability.
Operating lease	As Lessor ①.Unexpired lease liability due within 1 year 35 due thereafter 8 Total 44	As Lessor ①.Unexpired lease liability due within 1 year 216 due thereafter 152 Total 369

5. Segment Information

(1). Business segments information

For the year ended March 31, 2000	Overseas shipping	Ferry/ domestic shipping	Shipping agents and Harbor/terminal operation	Cargo forwarding and warehousing	Other Businesses	Total	Elimination	Consolidated
	Millions of yen							
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, Depreciation and Capital expenditure								
Assets	1,018,576	56,569	41,974	20,637	182,149	1,319,907	(123,433)	1,196,474
Depreciation	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

For the year ended March 31, 1999	Overseas shipping	Ferry/ domestic shipping	Shipping agents and harbor/terminal operation	Cargo forwarding and warehousing	Others	Total	Elimination	Consolidated
	Millions of yen							
Ⅰ. Revenues								
(1) Revenues from customers, unconsolidated subsidiaries and affiliated companies	634,528	35,504	30,862	69,288	38,976	809,160	—	809,160
(2)Inter-segments revenues	4,590	2,850	47,270	1,204	13,759	69,675	(69,675)	—
Total Revenues	639,118	38,355	78,133	70,492	52,736	878,836	(69,675)	809,160
Operating expenses	587,947	38,194	76,514	70,508	48,163	821,328	(65,705)	755,623
Operating income	51,170	160	1,618	(15)	4,572	57,507	(3,970)	53,536
II. Assets, Depreciation and Capital expenditure								
Assets	1,007,982	59,104	34,312	20,687	190,522	1,312,609	(137,969)	1,174,640
Depreciation, tangibles	52,377	4,027	1,611	772	1,598	60,387	—	60,387
Capital expenditure	58,229	3,130	2,268	1,079	864	65,571	—	65,571

（Note） Method used to define and segregate business segments and determine main businesses in each segment
Collecting similar businesses into a business segment in accordance with the Japanese Standard Classification of Industries, taking into account of characteristics of services and products they produce and sell.
Major businesses which belong to each segment are as follows:

Business Segments	Main Businesses
Overseas shipping	Overseas marine transportation, Luxury cruise business
Ferry transportation	Ferry transportation, Tugboat operation
Shipping agents and harbor/terminal operation	Harbor transportation, Terminal operation, Shipping agent, Custom clearance agency, Cargo packing service
Cargo forwarding and warehousing	Cargo forwarding, Warehousing
Others	Real estate, Trucking, Machinery repair, Finance and Accounting, Trade and Commerce, Civil Engineering and Dredging, Data processing and Information service

(2). Geographical segment information

For the year ended March 31, 2000	Millions of yen							
	Japan	North America	Europe	Asia	Others	Total	Elimination	Consolidated
I. Revenues								
(1) Revenues from customers, unconsolidated subsidiaries and affiliated companies	826,165	42,175	7,163	6,184	119	881,807	—	881,807
(2) Inter-segment revenues	1,041	19,208	4,423	10,640	888	36,202	(36,202)	—
Total Revenues	827,206	61,383	11,586	16,825	1,008	918,010	(36,202)	881,807
Operating expenses	767,121	58,224	11,233	16,044	1,048	853,672	(33,185)	820,487
Operating income	60,084	3,158	353	781	(40)	64,337	(3,017)	61,320
II. Assets	1,158,281	20,184	61,264	10,758	1,541	1,252,030	(55,556)	1,196,474

For the year ended March 31, 1999	Millions of yen							
	Japan	North America	Europe	Asia	Others	Total	Elimination	Consolidated
I. Revenues								
(1) Revenues from customers, unconsolidated subsidiaries and affiliated companies	750,292	42,388	11,247	5,086	145	809,160	—	809,160
(2) Inter-segment revenues	2,736	23,162	5,546	12,469	398	44,313	(44,313)	—
Total Revenues	753,029	65,550	16,793	17,556	544	853,473	(44,313)	809,160
Operating expenses	698,194	63,661	16,323	17,302	537	796,019	(40,395)	755,623
Operating income	54,834	1,889	470	253	7	57,454	(3,917)	53,536
II. Assets	1,135,440	10,634	80,448	7,796	675	1,234,996	(60,355)	1,174,640

(Notes)

1. Segmentation is made from the perspective of geographical adjacency.
2. Geographical areas belonging to each segment are as follows:
   (1) North America : U.S.A. and Canada
   (2) Europe : U.K., The Netherlands, and other European countries
   (3) Asia : Middle- and Near-east, Southwest Asia, Southeast Asia, and East Asia
   (4) Others : Latin America, Africa, and Oceania
3. Consolidated subsidiaries which belong to "Japan" segment include overseas subsidiaries whose revenues are from sales in Japan even if operating expenses and business assets of such subsidiaries are incurred and held overseas, respectively.

(3). Information on Sales Overseas

For the year ended March 31, 2000	Millions of yen				
	North America	Europe	Asia	Others	Total
I. Overseas sales	207,946	113,716	165,734	237,434	724,832
II. Consolidated sales	—	—	—	—	881,807
III.Ratio of overseas sales to consolidated sales	23.6%	12.9%	18.8%	26.9%	82.2%

For the year ended March 31, 1999	Millions of yen				
	North America	Europe	Asia	Others	Total
I. Overseas sales	201,770	126,458	143,951	196,025	668,207
II. Consolidated sales	—	—	—	—	809,160
III.Ratio of overseas sales to consolidated sales	24.9%	15.6%	17.8%	24.2%	82.6%

(Note)

1. Segmentation is made from the perspective of geographical adjacency.
2. Geographical areas belonging to each segment are as follows:
   (1) North America : U.S.A. and Canada
   (2) Europe : U.K., The Netherlands, and other European countries
   (3) Asia : Middle- and Near-east Asia, Southwest Asia, Southeast Asia, and East Asia
   (4) Others : Latin America, Africa, and Oceania
3. The major part of the overseas sales is shipping revenues earned in the segment of overseas marine transportation and related businesses.

6. Market Value Information on Securities

(Millions of yen)

	As of March 31, 2000		
	Book Value	Market Value	Unrealizes 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

(a) Listed securities:
use closing prices at the Tokyo Stock Exchange on the last trading day of the accounting period

(b) Over-the-counter securities:
use prices quoted by the Securities Dealers Association on the last trading day of the accounting period

(c) Securities whose prices are available only by indication [other than (a), (b)]:
use over-the-counter reference prices published by Securities Dealers Association

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

7. Market Value and Unrealized Gain/Loss for Derivatives Contracts

As of March 31, 2000

(1). Currency related (Millions of yen)

	Type of Transaction	March 31, 2000			
		Contracts outstanding	Exceed 1 Year	Market value	Unrealized gain/loss (△)
Over the counter contracts	Forward foreign exchange contracts				
	Sell				
	U.S.Dollar	17,974	-	16,658	1,315
	Buy				
	U.S.Dollar	47,483	911	42,715	△ 4,768
	Singapore Dollar	366	-	368	1
	Currency swap				
	(Receive Yen, Pay U.S. Dollar)	79,346	69,556	△ 6,781	△ 6,781
	(Receive Yen, Pay H.K. Dollar)	11,763	8,353	2,393	2,393
Total		156,933	78,820	55,354	△ 7,838

(2). Interest related (Millions of yen)

	Type of Transaction	March 31, 2000			
		Contracts Outstanding	Exceed 1 Year	Market Value	Un-realized Gain/Loss(-)
Over the counter contracts	Interest Swap				
	(Receive floating, Pay fixed)	421,150	367,184	△ 7,531	△ 7,531
	(Receive fixed, Pay floating)	61,677	53,559	1,362	1,362
	(Receive floating, Pay floating)	1,000	1,000	3	3
	Interest cap				
	Purchase of cap	12,005 (52)	6,776 (39)	52	0
Total		495,833 (52)	428,520 (39)	△ 6,112	△ 6,165

(Notes)

1. In calculating market values in Japanese yen at the end of the fiscal year, forward exchange rates, prevailing at the end of the year, for the same values of the respective contracts are used.
2. Since forward exchange contracts for Singapore dollar are against U.S.dollar, Japanese yen value of those contracts are calculated using U.S.dollar/yen forward rates for the same value dates, which were prevailing on the respective contract dates.
3. Forward exchange contracts arranged for assets or liabilities denominated in foreign currencies, were excluded from this table of derivatives disclosure, because amounts of such assets or liabilities are virtually fixed in Japanese yen and recognized in balance sheet in Japanese yen amounts.
4. Market value of currency swap, interest swap, commodity futures, and commodity swap at the end of the fiscal year are calculated using prices of the contracts at the end of the year quoted by the financial institutions or trading houses with which the relevant transactions were closed.
5. The parentheses in the column of interest cap transactions show the amount of cap fees capitalized on the balance sheet and not amortized at the end of the year.
6. The contract values of the derivatives do not necessarily represent magnitude of market risk or credit risk of those derivatives contracts.

Additional Information on Consolidated Financial Statements as of March 31, 2000

1. Depreciation Expenses

Years ended March 31, 2000 and 1999

(Millions of yen)

	2000	1999	Increase/Decrease
Vessels	55,112	52,637	2,475
Others	6,749	7,749	△ 1,000
Total	61,862	60,387	1,475

2. Outstanding interest-bearing debt

(Millions of Yen)

	March 31, 2000	March 31, 1999	Increase/Decrease
Loans to finance vessels and other investments	614,835	599,072	15,763
Loans to finance working capital expenditure	110,151	129,668	△ 19,517
Straight Bonds issued	108,638	128,380	△ 19,742
Total	833,625	857,121	△ 23,496

(Notes) Loans to finance vessels and other investments include lease liabilities for vessels: ¥2,251 million

3. Fleet

1) Overseas Shipping

(Unit: Thousand Dead Weight Ton)

	Liners		Bulk Carriers		Tankers and Liquefied gas Carriers		Cruise Ships		Total	
	Number of Vessels	Dead Weight ,000 K/T	Number of Vessels	Dead Weight ,000 K/T	Number of Vessels	Dead Weight ,000 K/T	Number of Vessels	Dead Weight ,000 K/T	Number of Vessels	Dead Weight ,000 K/T
Owned Vessels	33	1,143	110	8,056	108	9,498	3	14	254	18,711
Time Chartered Vessels	40	1,153	244	11,548	57	3,552	0	0	341	16,253
Bareboat Chartered Vessels	0	0	2	12	5	91	0	0	7	103
Operation-Entrusted Vessels	0	0	4	296	0	0	0	0	4	296
Total	73	2,296	360	19,912	170	13,141	3	14	606	35,363
March 31, 1999	69	2,249	240	11,326	118	8,912	3	14	430	22,501

2) Ferry/domestic shipping

	Ferry and inland sea transportation		Tugboat	
	Number of Vessels	Dead Weight ,000 K/T	Number of Vessels	Dead Weight ,000 K/T
Owned Vessels	15	76	34	
Time Chartered Vessels	0	0	3	
Bareboat Chartered Vessels	0	0	3	
Operation-Entrusted Vessels	0	0	0	
Total	15	76	40	
March 31, 1999	16	74	—	

4. Foreign exchange information (for overseas subsidiaries and affiliates)

December 31,1999 (TTM)	December 31,1998 (TTM)	Increase/Decrease
1$ = JPY 102.40	1$ = JPY 115.70	+ JPY 13.30 (11.5%)

5. Number of employees (parent company and consolidated subsidiaries)

Segments	Number of employees	
Overseas shipping	2,039	(136)
Ferry/Domestic shipping	948	(34)
Shipping agent and Harbor/terminal operation	2,424	(256)
Cargo forwarding and Warehousing	1,291	(73)
Others Businesses	762	(367)
Total	7,464	(866)

(Note) Number of employees refers to full time employee. Average number of annual part time employee is stated inside the parentheses.

Comparative Consolidated Balance Sheets

As of March 31, 2000 and 1999

(Millions of yen)

	2000(A)	1999			Increase/Decrease	
	Mitsui O.S.K. Lines	Mitsui O.S.K. Lines	Navix Line	Total(B)	Amount(C)	%
	Amount	Amount	Amount	Amount	(A)-(B)	(C)/(B)
(Assets)						
Current assets	239,858	230,994	35,993	266,987	△ 27,129	△ 10.2
Cash and deposit	48,097	48,340	13,504	61,844	△ 13,747	△ 22.2
Notes & accounts receivable, trade	101,406	82,964	7,769	90,733	10,673	11.8
Marketable securities	12,666	30,560	1,791	32,351	△ 19,685	△ 60.8
Inventories	12,380	8,564	1,450	10,014	2,366	23.6
Deferred and prepaid expenses	35,446	27,017	4,665	31,682	3,764	11.9
Deferred tax assets	1,644	—	—	—	1,644	—
Other current assets	28,731	33,956	7,784	41,740	△ 13,009	△ 31.2
Allowance for doubtful receivables	△ 514	△ 409	△ 971	△ 1,380	866	△ 62.8
Fixed assets	946,682	935,976	120,322	1,056,298	△ 109,616	△ 10.4
(Tangible fixed assets)	(756,624)	(753,347)	(104,131)	(857,478)	(△100,854)	(△11.8)
Vessels	599,271	601,096	93,482	694,578	△ 95,307	△ 13.7
Buildings and structures	40,035	38,630	3,122	41,752	△ 1,717	△ 4.1
Machinery, equipment, vehicles, and delivery equipment	6,380	5,419	—	5,419	961	17.7
Furniture and fixtures	3,820	3,993	—	3,993	△ 173	△ 4.3
Land	69,520	65,724	5,734	71,458	△ 1,938	△ 2.7
Construction in progress	36,065	37,802	1,101	38,903	△ 2,838	△ 7.3
Other tangible fixed assets	1,530	681	690	1,371	159	11.6
(Intangible fixed assets)	(10,649)	(8,268)	(946)	(9,214)	(1,435)	(15.6)
Consolidation adjusting account (Goodwill)	4,197	5,254	0	5,254	△ 1,057	△ 20.1
Other intangible fixed assets	6,451	3,013	946	3,959	2,492	62.9
(Investments and other long-term assets)	(179,408)	(174,362)	(15,244)	(189,606)	(△10,198)	(△5.4)
Investment securities	139,746	142,210	10,324	152,534	△ 12,788	△ 8.4
Long-term loans receivable	8,410	8,067	—	8,067	343	4.3
Long-term prepaid expenses	1,362	4,429	1,320	5,749	△ 4,387	△ 76.3
Deferred tax assets	3,256	—	—	—	3,256	—
Other investments and other long-term assets	30,048	21,713	5,349	27,062	2,986	11.0
Allowance for doubtful receivables	△ 3,416	△ 2,058	△ 1,749	△ 3,807	391	△ 10.3
Foreign exchange translation adjustment account	9,932	7,667	111	7,778	2,154	27.7
Total Assets	1,196,474	1,174,640	156,427	1,331,067	△ 134,593	△ 10.1

(Millions of yen)

	2000(A)	1999			Increase/Decrease	
	Mitsui O.S.K. Lines	Mitsui O.S.K. Lines	Navix Line	Total(B)	Amount(C)	%
	Amount	Amount	Amount	Amount	(A)-(B)	(C)/(B)
(Liabilities)						
Current liabilities	412,717	337,416	71,235	408,651	4,066	1.0
Notes & accounts payable, trade	92,999	72,010	7,580	79,590	13,409	16.8
Bonds to be redeemed within a year	43,642	33,435	—	33,435	10,207	30.5
Short-term loans payable	188,733	153,323	54,291	207,614	△ 18,881	△ 9.1
Corporate tax, etc. payable	3,044	5,365	0	5,365	△ 2,321	△ 43.3
Advance payments received	51,900	42,863	—	42,863	9,037	21.1
Deferred tax liabilities	199	—	—	—	199	—
Reserves	4,450	3,889	635	4,524	△ 74	△ 1.6
Other current liabilities	27,746	26,528	8,727	35,255	△ 7,509	△ 21.3
Non-current liabilities	623,843	689,950	77,410	767,360	△ 143,517	△ 18.7
Bonds	64,996	94,945	—	94,945	△ 29,949	△ 31.5
Long-term loans payable	534,002	575,417	73,225	648,642	△ 114,640	△ 17.7
Dererred tax liabilities	4,342	—	—	—	4,342	—
Reserves	12,727	10,269	4,003	14,272	△ 1,545	△ 10.8
Other non-current liabilities	7,774	9,318	182	9,500	△ 1,726	△ 18.2
Total Lliabilities	1,036,561	1,027,367	148,646	1,176,013	△ 139,452	△ 11.9
Minority interest	7,921	6,783	405	7,188	733	10.2
(Shareholders' Equity)						
Common stock	64,915	58,840	21,261	80,101	△ 15,186	△ 19.0
Additional paid-in capital	43,886	43,751	2,658	46,409	△ 2,523	△ 5.4
Consolidated surplus	43,198	37,899	△ 16,540	21,359	21,839	102.2
Treasury stock	△ 8	△ 2	△ 3	△ 5	△ 3	60.0
Total Shareholders' Equity	151,992	140,489	7,375	147,864	4,128	2.8
Total Liabilities, Minority interest, and Shareholders' Equity	1,196,474	1,174,640	156,427	1,331,067	△ 134,593	△ 10.1

Comparative Consolidated Statements of Income

Years ended March 31, 2000 and 1999

(Millions of yen)

	2000(A)	1999			Increase/Decrease	
	Mitsui O.S.K. Lines	Mitsui O.S.K. Lines	Navix Line	Total(B)	Amount(C)	%
	Amount	Amount	Amount	Amount	(A)-(B)	(C)/(B)
Shipping and other operating revenues	881,807	809,160	143,165	952,325	△ 70,518	△ 7.4
Shipping and other operating expenses	746,047	683,041	128,370	811,411	△ 65,364	△ 8.1
Gross operating income	135,759	126,118	14,794	140,912	△ 5,153	△ 3.7
General and administrative expenses	74,439	72,581	10,395	82,976	△ 8,537	△ 10.3
Operating income	61,320	53,536	4,398	57,934	3,386	5.8
Non-operating income	15,051	14,900	1,975	16,875	△ 1,824	△ 10.8
Non-operating expenses	47,736	46,956	7,279	54,235	△ 6,499	△ 12.0
Ordinary income	28,635	21,480	△ 904	20,576	8,059	39.2
Special credits and profits	14,879	10,665	7,914	18,579	△ 3,700	△ 19.9
Special deductions and losses	28,199	16,808	26,363	43,171	△ 14,972	△ 34.7
Net income/loss before tax	15,314	15,337	△ 19,352	△ 4,015	19,329	△ 481.4
Corporate income tax, resident tax, and enterprise tax	6,427	8,362	△ 116	8,246	△ 1,819	△ 22.1
Corporate income tax adjustment account	529	—	—	—	529	—
Profit/Loss(△) on Minority interest	33	△ 34	16	△ 18	51	△ 283.3
Net income	8,324	7,009	△ 19,252	△ 12,243	20,567	△ 168.0