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

May 13, 2004

Mitsui O.S.K. Lines, Ltd.
- Financial Highlights: Fiscal Year 2003 ended March 31, 2004 -

1. Consolidated Results for fiscal year 2003 (from April 1, 2003 to March 31, 2004)

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(1) Operational Results

(million yen except net income per share)

	FY2003	FY2002
Revenues	997,260	910,288
Operating income	92,126	45,356
Ordinary income	90,556	33,404
Net income	55,390	14,709
Net income per share	46.14	12.16
Rate of return on equity	28.7%	8.9%
Rate of return (ordinary income) on assets	8.8%	3.1%
Profit (ordinary income) margin ratio	9.1%	3.7%

(2) Financial Position

(million yen except shareholders' equity per share)

	FY2003	FY2002
Total Assets	1,000,205	1,046,611
Interest-bearing debt	491,693	612,646
Shareholders' equity	221,534	164,789
Equity ratio	22.2%	15.7%
Shareholders' equity per share	185.06	137.44

(3) Cash Flows

(million yen)

	FY2003	FY2002
Cash flows from operating activities	114,592	82,875
Cash flows from investing activities	354	△50,712
Cash flows from financing activities	△110,861	△27,264
Cash & cash equivalent at the end of the fiscal year	45,262	43,056
Capital expenditures	△50,548	△49,493
Depreciation and amortization	55,334	60,710

(4) Forecast for the fiscal year 2004 ending March 31, 2005

*Estimation for FY2004: Exchange rate 1US$=¥110.0, Bunker price US$180/MT

(million yen)

	1st half of FY2004	FY2004
Revenues	530,000	1,050,000
Operating income	52,000	115,000
Ordinary income	51,000	110,000
Net income	29,000	62,000

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2. Non-Consolidated Results for fiscal year 2003 (from April 1, 2003 to March 31, 2004)

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(1) Operational Results

(million yen except net income per share)

	FY2003	FY2002
Revenues	791,776	698,831
Operating income	74,309	28,607
Ordinary income	79,225	27,990
Net income	40,601	8,348
Net income per share	33.73	6.90
Rate of return on equity	22.8%	5.3%
Rate of return (ordinary income) on assets	13.6%	5.1%
Profit (ordinary income) margin ratio	10.0%	4.0%

(2) Dividends

	Dividend per share			Total dividends paid (per year)	Dividend pay-out ratio	Dividend ratio to Shareholders' equity
		Interim	Yearly	(Millions of yen)		
FY2003	¥11.00	¥4.00	¥7.00	13,190	32.6%	6.6%
FY2002	¥5.00	-	¥5.00	6,004	72.5%	3.8%

(3) Forecast for the fiscal year 2004 ending March 31, 2005

*Estimation for FY2004: Exchange rate 1US$=¥110.0, Bunker price US$180/MT

(million yen)

	1st half of FY2004	FY2004
Revenues	420,000	830,000
Operating income	41,000	93,000
Ordinary income	41,000	94,000
Net income	22,000	53,000

3. Business Performance

(1) Business environment during FY 2003 (from April 1, 2003 to March 31, 2004)

(unit: ¥ billion)

	FY2003 (ending March 2004)	FY2002 (ending March 2003)	% increase/decrease
Revenue	997.2	910.2	86.9 / 9.6%
Operating income	92.1	45.3	46.7 / 103.1%
Ordinary income	90.5	33.4	57.1 / 171.1%
Net income	55.3	14.7	40.6 / 276.6%

Exchange rate	113.84 yen/US$	122.29 yen/US$	△ 8.45yen/US$
Bunker price	US$178/MT	US$163/MT	US$15/MT

The world economy during fiscal year (FY) 2003, from April 1, 2003 to March 31, 2004, reflected an ongoing recovery in the United States, steady performance in major Asian economies including China, and visible signs of recovery in the European economy starting with the second half of the period. The Japanese economy has also been well on the way to recovery thanks to favorable trends in exports and facility investments.

Crude oil prices remained generally high even after May 2003, when the Iraq war ended, resulting from low U.S. reserves, OPEC oil production cuts, and an inflow of speculative investment. As a result, bunker prices remained high throughout the year, placing upward pressure on costs. The exchange rate showed a continuing trend toward further appreciation of the yen compared to the previous year. This had a negative impact on earnings. In addition, reduced efficient vessel operation due to congestion at loading ports and higher charterage because of stronger vessel demand also contributed to cost increases. However, robust trade volume, mainly in China, for the liner, bulk, and tanker markets, along with a generally favorable freight rate market, spurred increases in revenue and income.

Under these circumstances, earnings remained stable thanks to long-term contracts for various specialized carriers, tankers, and LNG carriers, and contributed to strong business performance throughout the year. Launching large new vessels such as containerships and car carriers, as well as cost reduction efforts, especially in the Liner Division, also had positive effects. As a result, revenue for FY2003 increased 9.6% from the previous year, totaling 997.2 billion yen; operating income doubled to 92.1 billion yen; ordinary income totaled 2.7 times that of the previous year to 90.5 billion yen, and net income grew by 3.8 times to 55.3 billion yen. All revenue and income figures showed strong increases from the previous year. MOL exceeded all the final goals of the three-year management plan “Mitsui

O.S.K. Lines' new expansion target" (MOL *next*), with the sole exception of the final year's revenue, which was slightly under the target revenue.

Revenues and operating income by segment during FY2003 was as follows:

The upper figures represent revenues, the lower ones operating income by segment (unit: ¥ billion)

	FY2003 (ending March 2004)	FY2002 (ending March 2003)	% increase/decrease
Overseas shipping	830.2	742.9	87.2 / 11.7%
	83.0	37.4	45.6 / 121.8%
Ferry and domestic shipping business	35.4	33.4	1.9 / 5.9%
	1.2	0.6	0.6 / 93.8%
Shipping agency and harbor/terminal operation	84.6	78.8	5.8 / 7.4%
	5.3	2.3	3.0 / 132.2%
Cargo forwarding and warehousing	46.9	48.3	△1.3 / △2.9%
	0.2	△0	0.2 / -%
Other businesses	72.1	74.8	△2.7 / △3.6%
	2.8	3.9	△1.0 / △27.4%

A) Overseas shipping

<Liner Shipping Business Division>

Key east-west routes saw a continuous upward trend throughout the year. Eight 4,500 TEU containerships were launched in succession by the third-quarter of FY2003 (ending December 31, 2003), and we increased our capacity on Asia-North America routes. These contributed to increased loading volume. In addition, restoration of freight rates on each route showed its full effect during the year, resulting in a great increase in earnings from the previous year. We also executed "a winter program" for the North America routes to reduce the number of ships deployed during the winter when trade is slower. In this way, we helped stabilize fleet supply and demand. What's more, we worked to improve profitability on routes serving South America and Africa. Thanks to the restoration of freight rates resulting from the recovery of South America's economy, in addition to cost reductions such as streamlining vessel operations, we saw sharply improved profits after the second half of FY2003.

<Bulk Carrier and Specialized Carrier Division>

We saw strong demand for iron ore and coal in Japan, South Korea, and especially China. Also, congestion of vessels at loading ports further strained fleet supply and demand, so rates in the dry bulk market remained high. Rising charterage for some cargoes had a negative impact on profitability, but this problem has been gradually resolved. We worked to improve profitability and stabilize profits by winning new business and signing long-term contracts with domestic and overseas steel makers under favorable market conditions. In addition, we decided to build 30 new Cape-size bulkers that are slated for launch from 2004 to the first half of 2007, to meet the worldwide steel industry's increasing long-term needs for raw materials transport. In the car carrier sector, we enhanced the fleet by launching large new car carriers under favorable worldwide conditions for cargo traffic. Earnings in this sector exceeded those of the previous year thanks to increasing export volumes from the Far East, including Japan, and offshore trade.

<Tanker and LNG Carrier Division>

We continued to enjoy stable profits through long-term contracts for crude oil, methanol, LPG, and LNG carriers. During this fiscal year, six double-hulled VLCCs and four LNG carriers were launched. What's more, we decided to participate in a project involving four new LNG carriers – two each for Oman and Qatar. Spot markets for both tankers and other petroleum product carriers remained strong in spite of major fluctuations. As a result, earnings in this sector exceeded those of the previous year.

<Cruise Ship Division>

The *Nippon Maru*, which was refurbished in February 2003, was in full service during FY2003, contributing to steady increases in revenue and income for cruise ship operations.

B) Ferry and Domestic Shipping Business

In ferry operations, the new roll-on/roll off (Ro/Ro) ferry service on the Tokyo-Hakata route, launched in October 2003 by Shosen Mitsui Ferry Co., Ltd. and Nippon Express Co., Ltd., showed strong performance. The joint service on the Ooarai-Tomakomai route, which started in June 2002 with Higashinippon-Ferry Co., Ltd., continued to post good results. In addition, we saw the benefits of rationalization and cost reduction in each company. As a result, earnings in this sector greatly exceeded those of the previous year. In January 2004, we announced approval of an increase in capital through a third party allocation of shares with Kansai Kisen Co., Ltd. (in which MOL held a 7% share at the end of the year) and management support. We will continue our efforts to strengthen ferry operations through tie-ups among MOL Group ferry companies.

In the domestic shipping and tugboat businesses, the domestic conventional service of Shosen Mitsui Ferry Co., Ltd. was consolidated with Navix Naiko, Ltd. in June 2003 as MOL Naikou , Ltd. Its incomes exceeded those of the previous year.

C) Shipping Agency and Harbor/Terminal Operation

Income in both the shipping agency and harbor/terminal operation sectors exceeded those of the previous year, thanks to recovering freight rates on key routes as well as favorite liner trade volume from Asia, mainly China. Cost reductions and other rationalization efforts also contributed to improved performance.

D) Cargo Forwarding and Warehousing

The Company reorganized the Logistics Office as the Logistics Business Division in June 2003 to centralize and improve the functions of planning and promoting business strategies related to our groupwide logistics business, along with strengthening its presence in the Chinese air cargo market. Though this sector's revenue decreased because of the SARS outbreak in China, the war in Iraq, and withdrawal from unprofitable businesses, income was higher than in the previous year thanks to cost reduction measures and other steps outlined above.

E) Other Businesses

Other business sectors include trade, construction, real estate, and financial services. In the trade sector, sales were increased by launching of new vessels, so income exceeded that of the previous year. However, decreasing orders for construction resulted in declines in both revenue and income. In the other sectors in this category, income was lower than that of the previous year.

(2) Outlook for FY2004

(unit: ¥ billion)

	FY2004 (forecast) (ending March 2004)	FY2003 (ending March 2003)	% increase/decrease
Revenue	1,050.0	997.2	52.7 / 5.3%
Operating income	115.0	92.1	22.8 / 24.8%
Ordinary income	110.0	90.5	19.4 / 21.5%
Net income	62.0	55.3	6.6 / 11.9%

Exchange rate	110.00yen/US$	113.84 yen/US$	△3.84 yen/US$
Bunker price	US$180/MT	US$178/MT	US$2/MT

(Assumption)

During FY2004 (April 1, 2004 to March 31, 2005), the world economy is expected to remain on track to recovery, although there are concerns that the ongoing appreciation of the yen and the tensions in the Middle East will result in higher bunker prices. In the Liner Division, our main overseas shipping business, cargo trade from Asia remains very firm. We have also made steady progress toward restoration of freight rates on key routes. In bulk shipping, our other main overseas shipping business, we expect strong domestic freight rates to continue, backed by brisk cargo movement, mainly to/from China, and a tight fleet supply and demand picture.

Our projected consolidated financial results for FY2004, ending March 31, 2005, are based on 1) stable earnings in the natural resource and energy transport segment; 2) favorable market conditions as mentioned above and the effects of launching newly built vessels, mainly bulk carriers; 3) cost reductions, mainly in the Liner Division; and 4) continuing increases in profits in the ferry business and cargo forwarding and warehousing businesses, which we restructured to create a stronger foundation. We forecast revenue of 1,050.0 billion yen; operating income of 115.0 billion yen; ordinary income of 110.0 billion yen; and net income of 62.0 billion.

These projections are based on a presumed exchange rate of 110 yen -US$1 and bunker prices of US$ 180/MT for FY2004.

The company plans to pay an annual dividend of 10 yen per share (including 5 yen for the first half), assuming we achieve the profit forecasts outlined above.

4. Financial Position

Total assets as of March 31, 2004 decreased by about 46.4 billion yen from the end of the previous year, to a total of 1,000.2 billion yen. This was due mainly to fleet reductions, which greatly surpassed the increase in revaluation of investments in marketable securities. Current assets increased by 9.9 billion yen (3.4%) to 299.5 billion yen. The main reasons of this increase were increases in deferred and prepaid expenses, and increases in cash and cash equivalents. Tangible fixed assets decreased by 91.6 billion yen (16.1%), mainly for the reason of depreciation and sale of vessels, totaling 477.6 billion yen. Investments and other assets totaled 212.3 billion yen, an increase of 33.5 billion yen (18.8%), as a result of increases in the market value of MOL Group-owned shares.

In the liability category, efforts to reduce interest-bearing debt decreased current liabilities by 25.7 billion yen to 398.0 billion yen (6.1% decrease); and fixed liabilities decreased by 76.8 billion yen (17.1% decrease) to 373.4 billion yen.

Shareholders' equity, affected by favorable profit conditions, totaled 221.5 billion yen thanks to 45.5 billion (80.6%) increase in consolidated surplus and an increase of 18.4 billion yen (261.5%) in gains from revaluation of investments in marketable securities.

5. Cash Flow

Cash and cash equivalents (hereinafter called "cash") provided by operating activities during FY2003 totaled 114.5 billion yen, an increase of 31.7 billion yen from the previous year. This was due mainly to a large increase in income before income taxes and minority interests (64.6 billion yen increase in cash from the previous year) and a slowdown in the increase of trade receivables (20.2 billion yen increase in cash from the previous year).

Cash provided by investing activities totaled 0.3 billion yen, an increase of 51.0 billion yen from the previous year. This resulted mainly from 32.7 billion yen increase in proceeds from sale of tangible and intangible fixed assets.

Cash used in financing activities totaled 110.8 billion yen, an increase of 83.5 billion yen from the previous year. This resulted mainly from net increase or decrease in short-term loans shifting from 14.8 billion yen increase in cash (borrowing) for the previous year to 22.3 billion yen decrease in cash (repayment) for FY2003 (37.2 billion yen decrease in cash from the previous year), and from a decrease in proceeds from long-term loans (36.4 billion yen decrease in cash from the previous year).

As a result, cash at the end of the year totaled 45.2 billion yen, an increase of 2.2 billion yen from the previous year.

MOL and MOL Group cash flow trends are as follows:

	FY1999 ending March 31, 1999	FY2000 ending March 31, 2000	FY2001 ending March 31, 2001	FY2002 ending March 31, 2002	FY2003 ending March 31, 2003
Equity ratio (%)	12.7	12.7	15.5	15.7	22.2
Equity ratio based on market value (%)	20.9	25.4	32.3	32.7	64.6
Number of years for debt repayment	10.9	8.2	7.9	7.4	4.3
Interest coverage ratio	2.3	2.4	2.5	3.6	6.2

Equity ratio: Shareholders' equity / Total assets

Equity ratio based on market value: Total market value of shares / Total assets
Number of years for debt repayment: Interest-bearing debt / Operating cash flow
Interest coverage ratio: Operating cash flow / Interest payments

* Each index is calculated on consolidated financial figures.
* Total market value of shares is derived from: Closing stock price at end of the year x Total number of shares issued at the end of the year.
* Operating cash flow is taken from the cash flows from operating activities in the consolidated statements of cash flows. Interest-bearing debts cover all debts on which we pay interest, among the debts accounted on the consolidated balance sheets. In addition, interest payments reflect the amounts recorded on the consolidated statements of cash flows.

6. Business Risks

In overseas shipping, the MOL Group's main business, cargo flow is affected by economic trends and product markets in nations around the world. And in today's global business environment, there is risk that war, terrorism, and political or social unrest, will have harmful effects on a region or market. In particular, an economic slowdown and decline of demand in major trade markets such as North America, Europe, Japan, and China, can lead to a falloff in freight rates, reduced business, and severe price competition. Such a scenario could harm MOL Group business performance.

Other significant risks to MOL Group business activities are as follows:

a) Exchange Rate Fluctuations

Most MOL Group business earnings are US dollar-based overseas shipping revenues. Costs include vessel capital, fuel costs, cargo handling charges overseas, and general administration costs on US dollar and local currency bases. We are working to base more of our costs on US dollars and conduct currency hedge transactions to minimize the negative impact of fluctuations in the US dollar exchange rate. However, appreciation of the yen against other currencies (particularly the US dollar) puts downward pressure on MOL Group profit, if dollar-based revenues surpass expenditures based in foreign currencies. In addition, vessels owned by overseas subsidiaries and affiliates, and the related liabilities, are denominated in foreign currencies. This may affect values in the yen-based consolidated balance sheets, because of the exchange rates used at the time of exchange, even though the original value in local currency remains unchanged.

b) Bunker Price Fluctuations

Procurement of fuel to operate vessels is indispensable to MOL Group business. While we attempt to stabilize and reduce procurement costs of bunker oil through fuel hedge transactions, higher prices naturally decrease our profitability. Generally, the market price of bunker oil is linked to the price of crude oil, and can be affected by world economic trends, conditions in oil-producing regions, U.S. reserve levels, the inflow of speculative funds, etc.

c) Interest Rate Fluctuations

The MOL Group conducts ongoing facility investment to build new vessels and renew others. We have been working to reduce interest-bearing debt, although we borrow capital from outside for operational funds and facility investments. We strive to stabilize interest rates by borrowing at fixed rates and implementing interest swaps. The funds procured at variable interest rates, as well as future costs of fund procurement, may be affected by interest rate fluctuations.

d) Legal Restrictions

Overseas shipping, the MOL Group's main business, is subject to a broad range of restrictions, such as national and international regulations and classification society standards related to the safety and operation of vessels and facilities. We are also subject to laws covering transport, commerce, monopolies, tax rates, exchange controls, environmental protection, security, and so on, as well as business and investment licensing standards. Strictly adhering to all these regulations may result in higher costs, and non-compliance may limit MOL Group activities and adversely affect our business results.

e) Vessel Operations

As stated in the MOL Group Corporate Principles, "We will promote and protect our environment by maintaining strict, safe operation and navigation standards." We have established a unique MOL Safety Management System to create an effective, wide-ranging accident prevention system by providing comprehensive crew education and training systems. However, with a fleet of more than 500 vessels in constant operation all over the world, there is still the risk of marine accident, especially one that results in an oil leak or spill and the subsequent environmental pollution. Naturally, an accident could have a severe impact on our business.

The previous examples illustrate some – but not all – of the major foreseeable risks facing the MOL Group's business.

7. Consolidated Financial Statements

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(1) Consolidated Balance Sheets

(million yen)

	As of March 31,2004		As of March 31,2003		Increase/
	Amount	%	Amount	%	Decrease
Assets					
Current assets	299,544	29.9	289,644	27.7	9,900
Fixed assets	700,661	70.1	756,966	72.3	△56,305
(Tangible fixed assets)	(477,620)	(47.8)	(569,234)	(54.4)	(△91,614)
(Intangible fixed assets)	(10,642)	(1.1)	(8,932)	(0.8)	(1,710)
(Investments and other long-term assets)	(212,398)	(21.2)	(178,800)	(17.1)	(33,598)
Total Assets	1,000,205	100.0	1,046,611	100.0	△46,406

(Note) Contingent Liabilities

	As of March 31, 2004	As of March 31, 2003
Guarantee	38,684 million yen	39,983 million yen
Co-debtors' share of joint guarantee	62,234 million yen	81,268 million yen

(million yen)

	As of March 31,2004		As of March 31,2003		Increase/
	Amount	%	Amount	%	Decrease
Liabilities					
Current liabilities	398,090	39.8	423,837	40.5	△25,747
Non-current liabilities	373,413	37.3	450,292	43.0	△76,879
Total Liabilities	771,503	77.1	874,130	83.5	△102,627
Minority Interest	7,167	0.7	7,692	0.8	△525
Shareholders' Equity					
Common stock	64,915	6.5	64,915	6.2	–
Additional paid-in capital	43,934	4.4	43,887	4.2	47
Consolidated surplus	101,990	10.2	56,468	5.4	45,522
Revaluation reserve for land	2,267	0.2	2,230	0.2	37
Revaluation of investments in marketable securities	25,435	2.6	7,035	0.7	18,400
Translation adjustment	△14,475	△1.4	△8,054	△0.8	△6,421
Treasury stock	△2,533	△0.3	△1,693	△0.2	△840
Total Shareholders' Equity	221,534	22.2	164,789	15.7	56,745
Total Liabilities, Minority Interest, and Total Shareholders' Equity	1,000,205	100.0	1,046,611	100.0	△46,406

(2) Consolidated Statements of Income

(million yen)

	FY2003		FY2002		Increase/Decrease	
	Amount	%	Amount	%	Amount	%
Shipping and other operating revenues	997,260	100.0	910,288	100.0	86,972	9.6
Shipping and other operating expenses	824,902	82.7	787,540	86.5	37,362	4.7
Gross operating income	172,358	17.3	122,747	13.5	49,611	40.4
General and administrative expenses	80,231	8.1	77,391	8.5	2,840	3.7
Operating income	92,126	9.2	45,356	5.0	46,770	103.1
Non-operating income:						
Interest	1,334		1,422			
Dividends	1,661		1,418			
Equity in earnings of affiliated companies	6,612		3,387			
Others	7,932		5,490			
Total	17,540	1.8	11,718	1.3	5,822	49.7
Non-operating expenses:						
Interest	16,930		21,103			
Others	2,180		2,566			
Total	19,111	1.9	23,669	2.6	△4,558	△19.3
Ordinary income	90,556	9.1	33,404	3.7	57,152	171.1
Special profits:						
Profits on sale of fixed assets	7,732		4,050			
Profits on sale of investment securities	1,088		746			
Others	3,276		1,532			
Total	12,097	1.2	6,330	0.7	5,767	91.1
Special losses:						
Losses on sale of fixed assets	6,261		614			
Losses on sale of investment securities	762		2,155			
Valuation loss on investment securities	798		6,294			
Others	5,055		5,556			
Total	12,878	1.3	14,621	1.6	△1,743	△11.9
Income before income taxes	89,775	9.0	25,114	2.8	64,661	257.5
Corporate income tax, resident tax and enterprise tax	35,346	3.5	10,871	1.2	24,475	225.1
Corporate income tax adjustment	△2,151	△0.2	△1,434	△0.1	△717	50.0
Profit/loss(△) on minority interest	1,190	0.1	967	0.1	223	23.1
Net Income	55,390	5.6	14,709	1.6	40,681	276.6

(3) Consolidated Statements of Surplus

(million yen)

	FY2003	FY2002
Capital surplus		
Capital surplus at the beginning of the year	43,887	43,886
Increase in capital surplus		
Gains on disposal of treasury stock	47	0
Capital surplus at the end of the interim period	43,934	43,887
Retained earnings		
Retained earnings at the beginning of the year	56,468	47,817
Increase in retained earnings		
Net income	55,390	14,709
Increase in retained earnings due to inclusion of consolidated subsidiaries	407	126
Increase in retained earnings due to exclusion of consolidated subsidiaries	24	—
Increase in retained earnings due to inclusion of companies accounted for by the equity method	456	—
Increase in retained earnings due to exclusion of Companies accounted for by the equity method	168	—
Decrease in retained earnings		
Dividends	10,802	6,016
Directors' bonus	123	128
Decrease in retained earnings due to exclusion of consolidated subsidiaries	—	10
Decrease in retained earnings due to inclusion of companies accounted for by the equity method	—	0
Decrease in retained earnings due to exclusion of companies accounted for by the equity method	—	29
Retained earnings at the end of the year	101,990	56,468

(4) Consolidated Statements of Cash Flows

(million yen)

	FY2003	FY2002	Increase/ Decrease
Cash flows from operating activities			
Income before income taxes and minority interests	89,775	25,114	64,661
Depreciation and amortization	55,334	60,710	△ 5,376
Reversal of provisions	214	△ 1,807	2,021
Interest and dividend income	△ 2,995	△ 2,840	△ 155
Interest expense	16,930	21,103	△ 4,173
Loss (Gain) on sale of marketable securities	△ 18	3	△ 21
Equity in earnings of affiliated companies, net	△ 6,612	△ 3,387	△ 3,225
Loss (Gain) on sale and disposal of tangible fixed assets	△ 1,473	△ 3,435	1,962
Loss (Gain) on write-down of investment securities and securities issued by subsidiaries and affiliates	798	6,294	△ 5,496
Loss (Gain) on sale of investment securities and securities issued by subsidiaries and affiliates	△ 326	1,409	△ 1,735
Changes in operating assets and liabilities - Trade receivable	△ 1,400	△ 21,661	20,261
- Inventories	952	△ 2,437	3,389
- Trade payable	△ 696	677	△ 1,373
Other, net	△ 8,562	25,983	△ 34,545
Sub total	141,918	105,725	36,193
Cash received for interest and dividend	4,916	4,262	654
Cash paid for interest	△18,611	△ 22,873	4,262
Cash paid for corporate income tax, resident tax, and enterprise tax	△13,630	△ 4,239	△ 9,391
Net cash provided by operating activities	114,592	82,875	31,717
Cash flows from investing activities			
Purchase of marketable and investment securities	△ 4,889	△ 7,364	2,475
Proceeds from sale of marketable and investment securities	9,108	5,048	4,060
Payments for acquisition of tangible and intangible fixed assets	△50,548	△ 49,493	△ 1,055
Proceeds from sale of tangible and intangible fixed assets	52,249	19,509	32,740
Disbursements for long-term loans	△ 5,047	△ 1,046	△ 4,001
Collections of long-term loans receivable	1,915	8,954	△ 7,039
Other	△ 2,431	△ 26,322	23,891
Net cash provided by (used in) investing activities	354	△ 50,712	51,066
Cash flows from financing activities			
Net increase (decrease) in short-term loans	△ 22,365	14,891	△ 37,256
Net increase (decrease) in commercial paper	△ 4,000	10,000	△ 14,000
Proceeds from long-term loans	22,863	59,324	△ 36,461
Repayments of long-term loans	△ 89,216	△ 88,983	△ 233
Proceeds from issuance of bonds	7,488	606	6,882
Redemption of bonds	△ 16,080	△ 17,927	1,847
Cash Dividends paid by the company	△10,802	△ 6,016	△ 4,786
Other	1,252	840	412
Net cash used in financing activities	△ 110,861	△ 27,264	△ 83,597

(million yen)

	FY2003	FY2002	Increase/ Decrease
Effect on exchange rate changes on cash and cash equivalents	△ 2,329	△ 1,691	△ 638
Net increase (decrease) in cash and cash equivalents	1,756	3,206	△ 1,450
Cash and cash equivalents at beginning of year	43,056	39,737	3,319
Net cash increase (decrease) from new consolidation /de-consolidation of subsidiaries	448	113	335
Cash and cash equivalents at end of year	45,262	43,056	2,206

(5) Leases

(million yen)

		FY2003	FY2002
As lessee			
Finance leases accounted for as operating leases			
Future lease payments inclusive of interest	Amount due within one year	3,757	3,894
	Amount due after one year	15,054	13,143
	Total	18,812	17,038
Operating leases			
Future lease payments	Amount due within one year	36,508	31,069
	Amount due after one year	277,221	223,546
	Total	313,729	254,616
As lessor			
Finance leases accounted for as operating leases			
Future lease payments inclusive of interest	Amount due within one year	97	96
	Amount due after one year	68	166
	Total	166	262
Operating leases			
Future lease payments	Amount due within one year	98	78
	Amount due after one year	126	169
	Total	225	247

(6) Market Value Information on Securities

i) Bonds to be held to maturity with market values

As of March 31, 2004 (million yen)

	Book value	Market value	Difference
Market values above book values	–	–	–
Market values less than book values	9	9	–
Total	9	9	–

ii) Other securities with market values

The securities are restated at the mark to market.

As of March 31, 2004 (million yen)

	At cost	Market value	Difference
Market values above cost	21,058	56,565	35,506
Market values less than cost	2,386	2,161	△224
Total	23,445	58,726	35,281

iii) Major components of other securities not valued at market

As of March 31, 2004 (million yen)

	Book value
Securities to be held to maturity	
Unlisted foreign bonds	–
Others	–
Other securities	
Unlisted securities (excluding OTC-traded stocks)	13,370
Unlisted foreign bonds	4,415
Others	814

(7) Employees' Severance and Retirement Benefits

(million yen)

	FY2003	FY2002
Projected benefit obligation	63,347	63,501
Unrecognized actuarial differences	△ 5,002	△ 14,195
Prepaid pension expenses	11,401	11,423
Less fair value of pension assets	△ 55,833	△ 45,699
Liability for severance and retirement benefits	13,913	15,030

(8) Segment Information

(million yen)

FY2003	Overseas shipping	Ferry/ domestic shipping	Shipping agents & harbor/ terminal operation	Cargo forwarding & warehousing	Others	Total	Elimination	Consolidated
Revenues 1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	823,477	31,367	45,358	46,060	50,996	997,260	-	997,260
2.Inter-segments revenues	6,729	4,067	39,331	920	21,124	72,174	△72,174	-
Total Revenues	830,207	35,435	84,690	46,981	72,120	1,069,435	△72,174	997,260
Operating expenses	747,122	34,179	79,338	46,758	69,230	976,628	△71,494	905,133
Operating income	83,085	1,256	5,352	222	2,890	92,806	△679	92,126
Assets	856,792	33,453	57,974	25,475	191,087	1,164,784	△164,578	1,000,205
Depreciation expenses	48,182	1,884	2,983	561	1,722	55,334	-	55,334
Capital expenditures	40,963	3,566	2,261	1,378	2,378	50,548	-	50,548

(million yen)

FY2002	Overseas shipping	Ferry/ domestic shipping	Shipping agents & harbor/ terminal operation	Cargo forwarding & warehousing	Others	Total	Elimination	Consolidated
Revenues 1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	736,171	29,135	41,519	47,318	56,142	910,288	-	910,288
2.Inter-segments revenues	6,800	4,319	37,334	1,061	18,677	68,193	△68,193	-
Total Revenues	742,971	33,455	78,854	48,379	74,820	978,481	△68,193	910,288
Operating expenses	705,514	32,807	76,549	48,433	70,842	934,146	△69,213	864,932
Operating income	37,457	648	2,305	△53	3,978	44,335	1,021	45,356
Assets	870,673	30,651	53,374	26,660	186,660	1,168,021	△121,409	1,046,611
Depreciation expenses	53,672	1,908	2,859	615	1,655	60,710	-	60,710
Capital expenditures	42,733	1,289	3,934	481	1,055	49,493	-	49,493

8. Non-Consolidated Financial Statements

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(1) Non-Consolidated Balance Sheets

(million yen)

	As of March 31,2004		As of March 31,2003		Increase/ Decrease
	Amount	%	Amount	%	
Assets					
Current assets	237,856	39.5	202,568	36.2	35,288
Fixed assets	365,007	60.5	356,551	63.8	8,456
(Tangible fixed assets)	(173,552)	(28.8)	(189,488)	(33.9)	(△15,936)
(Intangible fixed assets)	(5,976)	(1.0)	(5,087)	(0.9)	(889)
(Investments and other assets)	(185,479)	(30.7)	(161,975)	(29.0)	(23,504)
Total Assets	602,864	100.0	559,120	100.0	43,744

(Notes)	As of March 31, 2004	As of March 31, 2003
1. Accumulated depreciation for tangible fixed assets	213,544 million yen	216,492 million yen
2. Contingent liabilities		
Guarantee	359,085 million yen	423,369 million yen
Co-debtors' share in jointly guarantee obligations	62,291 million yen	81,409 million yen

(million yen)

	As of March 31,2004		As of March 31,2003		Increase/ Decrease
	Amount	%	Amount	%	
Liabilities					
Current liabilities	271,172	45.0	252,672	45.2	18,500
Non-current liabilities	132,051	21.9	149,700	26.8	△17,649
Total Liabilities	403,224	66.9	402,372	72.0	852
Shareholders' Equity					
Common stock	64,915	10.7	64,915	11.6	-
Additional paid-in capital	43,890	7.3	43,886	7.8	3
Retained earnings	72,809	12.1	43,070	7.7	29,739
Revaluation of investments in marketable securities	20,131	3.3	6,115	1.1	14,016
Treasury shares	△2,107	△0.3	△1,240	△0.2	△867
Total Shareholders' Equity	199,639	33.1	156,747	28.0	42,892
Total Liabilities and Total Shareholders' Equity	602,864	100.0	559,120	100.0	43,744

(2) Non-Consolidated Statements of Income

(million yen)

	FY2003		FY2002		Increase/Decrease	
	Amount	%	Amount	%	Amount	%
Shipping and other operating revenues	791,776	100.0	698,831	100.0	92,945	13.3
Shipping and other operating expenses	692,514	87.5	646,957	92.6	45,557	
Gross operating income	99,262	12.5	51,874	7.4	47,388	91.4
General and administrative expenses	24,952	3.1	23,265	3.3	1,687	7.3
Operating income	74,309	9.4	28,607	4.1	45,702	159.8
Non-operating income:						
Interest and dividends	8,858		7,849			
Others	4,881		1,992			
Total	13,740	1.7	9,841	1.4	3,899	39.6
Non-operating expenses:						
Interest	7,023		8,097			
Others	1,800		2,361			
Total	8,823	1.1	10,458	1.5	△1,635	△15.6
Ordinary income	79,225	10.0	27,990	4.0	51,235	183.0
Special profits:						
Profits on sale of fixed assets	1,024		292			
Others	3,092		657			
Total	4,116	0.5	949	0.1	3,167	333.7
Special losses:						
Losses on sale of fixed assets	272		347			
Others	16,711		14,659			
Total	16,983	2.1	15,007	2.1	1,976	13.2
Income before income taxes	66,357	8.4	13,932	2.0	52,425	376.3
Corporate income tax, resident tax, and enterprise tax	31,367	4.0	7,744	1.1	23,623	305.0
Corporate income tax adjustment	△5,610	△0.7	△2,160	△0.3	△3,450	159.7
Net Income	40,601	5.1	8,348	1.2	32,253	386.3
Retained earnings brought forward	16,489	2.1	12,521	1.8	3,968	31.7
Losses on disposal of treasury stocks	-	-	6	0.0	△6	-
Interim Dividend	4,798	0.6	-	-	4,798	-
Unappropriated income	52,293	6.6	20,864	3.0	31,428	150.6

(3) Non-Consolidated Statements of Appropriation

(million yen)

	FY2003	FY2002	Increase/decrease
Appropriation of unappropriated retained earnings:			
Unappropriated income	52,293	20,864	31,428
Reversal of reserve for special depreciation	1,842	1,912	△70
Reversal of reserve for overseas investment loss, etc.	0	1	△0
Reversal of reserve for advanced depreciation of assets to be replaced	16	16	-
Total	54,152	22,794	31,358
To be appropriated as follows:			
Dividends	8,392 (¥7 per share)	6,004 (¥5 per share)	2,388
Directors' bonus	132	60	72
Reserve for special depreciation	-	232	△232
Reserve for overseas investment loss, etc.	-	1	△1
Reserve for advanced depreciation of assets to be replaced	-	7	△7
Retained earnings carried forward	45,628	16,489	29,138
Total	54,152	22,794	31,358
Appropriation of additional paid-in capital-other :			
Additonal paid in capital-other	3	-	3
To be appropriated as follows:			
Unappropriated additional paid-in capital-other carried forward	3	-	3
Total	3	-	3

Notes:
1. The company had paid an interim dividend of 4 yen per share; 4,798 million yen on December 8th, 2003.
2. The contents about year-end dividend of 7 yen per share are as follows:
   Ordinary dividends = 6 yen per share.
   Commemorative dividends = 1yen per share.

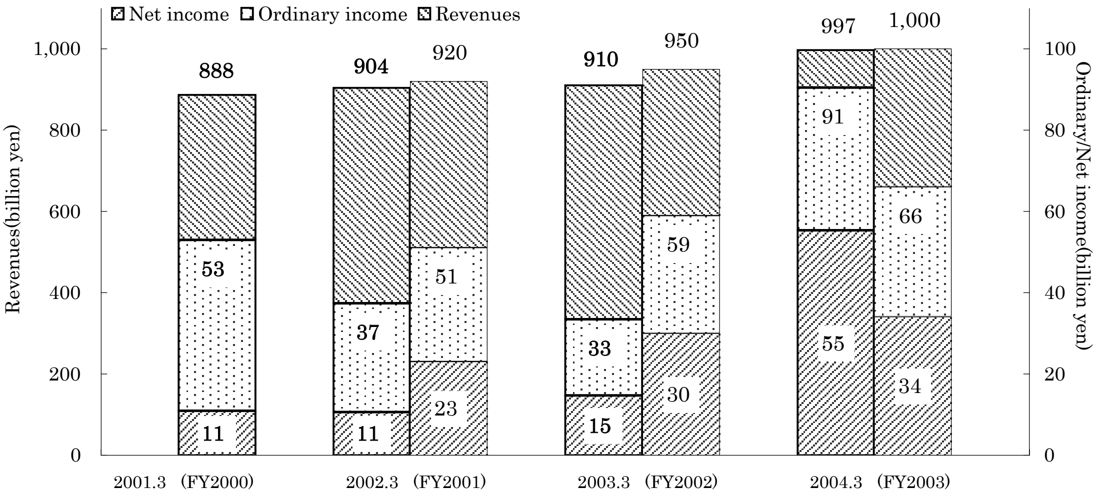
(Unwarranted translation of 'Kessan tanshin', provided for reference only)

Supplement

(For further details please refer to our homepage http://www.mol.co.jp/ir-e)

1. "MOL next" Review

(1) Revenues & Income



Av. Ex. Rate	109.71	125.11	115	122.29	110	113.84	110	¥/$]
Av. Bunker price	159	136	140	163	120	178	120	[$/M

For FY2001-2003, the right bars show the "MOL next" targets, while the left show the results.

(2) Management /Financial Index

	2001.3	2004.3	"MOL next" Targets	
EPS	¥9	¥46	¥28	EPS = Net income ÷ Total number of shares issued
ROE	7.4%	28.7%	15.0%	ROE = Net income ÷ Shareholders' equity (average of both ends)
ROA	3.0%	6.4%	4.0%	ROA = (Net income + (Interest x (1- Effective tax rate))) ÷ Total assets (average of both ends)
Equity Ratio	12.7%	22.2%	20.0%	Equity Ratio = Shareholders' equity ÷ Total assets

2. Review of Quarterly Results

		1st Quarter Apr.～Jun.,2003	2nd Quarter Jul.～Sep.,2003	3rd Quarter Oct.～Dec.,2003	4th Quarter Jan.～Mar.,2004
Revenues	[million yen]	234,579	248,280	254,756	259,645
Operating Income		18,579	19,784	24,809	28,954
Ordinary income		18,413	17,799	26,115	28,229
Income before income taxes		18,392	16,413	28,144	26,826
Net income		11,175	9,458	19,008	15,749
EPS	[yen]	9.33	7.90	15.88	13.03
Total assets	[million yen]	1,025,236	1,033,964	996,495	1,000,205
Shareholder's equity		174,189	187,004	200,275	221,534
Shareholder's equity per share	[yen]	145.50	156.25	167.43	185.06

3. Depreciation and Amortization

(Million yen)

	FY2003	FY2002	Increase /Decrease
Vessels	48,488	54,211	△ 5,723
Others	6,845	6,499	346
Total	55,334	60,710	△ 5,376

4. Interest-bearing Debt

(Million yen)

	As of Mar.31,2004	As of Mar.31,2003	Increase /Decrease
Bank loans	410,406	520,259	△ 109,853
Bonds	52,287	59,387	△ 7,100
Commercial paper	29,000	33,000	△ 4,000
Total	491,693	612,646	△ 120,953

4. Fleet Capacity

(1) Overseas Shipping

(1000 deadweight tons)

	Containerships		Dry bulkers & car carriers		Tankers & LNG carriers		Cruise ships, etc.		Total	
	No. of ships		No. of ships		No. of ships		No. of ships		No. of ships	
Owned	22	879	87	5,740	70	7,139	1	5	180	13,763
Chartered	50	2,155	281	18,092	81	6,325	0	0	412	26,572
Others	0	0	0	0	1	71	0	0	1	71
Total, as of Mar.31,2004	72	3,034	368	23,832	152	13,535	1	5	593	40,406
As of Mar.31,2003	68	2,672	342	19,225	148	13,315	2	10	560	35,222

(2) Ferry /Domestic Shipping

	Ferries /Domestic carriers		Tug boats	
	No. of ships		No. of ships	
Owned	15	84	27	
Chartered	16	35	1	
Others	6	9	0	
Total, as of Mar.31,2004	37	128	28	
As of Mar.31,2003	42	136	32	

(Remark) Spot chartered vessels are included. Co-owned vessels are accounted as owned vessels. Deadweight tonnage of co-owned vessels includes other companies' shares.

6. Containerships' Capacity, Lifting and Utilization

			Capacity(1000TEU)	Lifting(1000TEU)	Utilization
Asia -North America Trade (TPS)	Outbound	FY2003	446	376	84%
		FY2002	364	331	91%
	Inbound	FY2003	443	212	48%
		FY2002	360	189	52%
Asia -Europe Trade	Outbound	FY2003	297	280	94%
		FY2002	264	264	100%
	Inbound	FY2003	296	208	70%
		FY2002	264	205	77%
Total: All Trades		FY2003	2,397	1,820	76%
		FY2002	2,139	1,669	78%

7. Exchange Rates

	FY2003	FY2002	Increase /Decrease		
Average rates	¥113.84	¥122.29	△ 8.45	(△6.9%)	¥ appreciated
Term-end rates	¥105.69	¥120.20	△ 14.51	(△12.1%)	¥ appreciated

(Remark) "Average rates" are average of monthly corporate rates in each term, while "term-end rates" are TTM rates on the last day of each term.

Overseas subsidiaries

	TTM on Mar.31,2004	TTM on Mar.31,2003	Increase /Decrease		
Term-end rates	¥107.13	¥119.90	△ 12.77	(△10.7%)	¥ appreciated

8. Bunker Prices

	FY2003	FY2002	Increase /Decrease
Consumption Prices	US$178/MT	US$163/MT	US$15/MT

9. Number of Employees

Segments	Number of employees	
Overseas shipping	1,526	[167]
Ferry /Domestic shipping	812	[36]
Shipping agents and harbor/terminal operation	2,481	[188]
Cargo forwarding and warehousing	1,102	[70]
Others	1,112	[956]
Total, as of Mar.31,2004	7,033	[1,417]
As of Mar.31,2003	7,161	[1,215]

(Remark) Figures in parentheses show number of temporary employees (average in each term).

10. Revenues and Operating Income by Divisions (Non-Consolidated)

(1) Revenues

(Billion yen)

Divisions		FY2003	FY2002	Increase /Decraese
Shipping	Containerships	323	278	45
	Dry bulkers & car carriers	310	266	43
	Tankers & LNG carriers	146	141	5
	Others	8	9	0
	Sub total	788	695	93
Other operations		2	3	0
Total		791	698	92

(1) Operating Income

(Billion Yen)

Divisions	FY2003	FY2002	Increase /Decraese
Containerships	20	△ 9	29
Bulkships (Dry bulkers, car carriers, tankers, LNG carriers), and others	54	38	16
Total	74	28	45

11. Outlook for FY2004 (Consolidated)

(Billion yen)

Segments	Revenues	Operating Income	Ordinary Income
Containerships	370	30	30
Bulkships	520	83	78
Logistics	55	1	1
Ferry /Domestic Transport	42	1	0
Associated Businesses	55	2	3
Others	8	△ 2	△ 2
Total	1,050	115	110

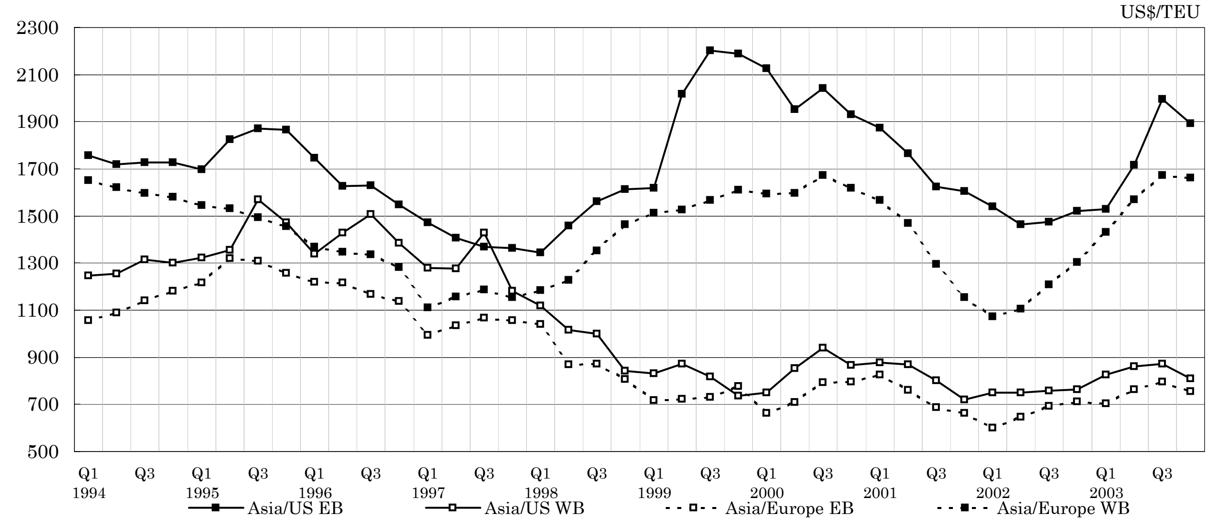
Assumed exchange rates ¥110/US$

bunker prices US$180/MT

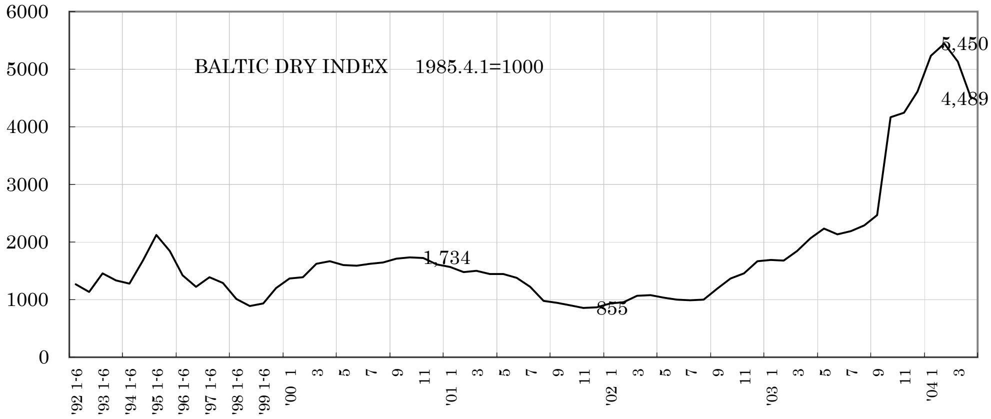
(Remark) Since FY2003 ending March 31, 2004, MOL classifies the head office and all Group consolidated subsidiaries and affiliates into nine segments, as a management accounting method, to implement consolidated-based management of profit and loss for every division. Among these nine segments, the company plans to disclose financial results of six segments with four divisions – Car Carriers, Dry Bulkers, Tankers, and LNG Carriers – combined into one segment as "Bulkships," starting with the announcement of the first-quarter financial results of FY2004 (from April 1, 2004 to March 31, 2005). With this change, the five conventional segments categorized as Overseas Shipping, Ferry/Domestic Shipping, Shipping Agents & Harbor/Terminal Operation, Cargo Forwarding & Warehousing, and Others will be replaced with the six new segments. The above chart shows forecasts of revenue and ordinary income for FY2004 categorized by the six new segments.

12. Market Information

(1) Container Cargo Trades (Containerization International "Freight Rates Indicators")



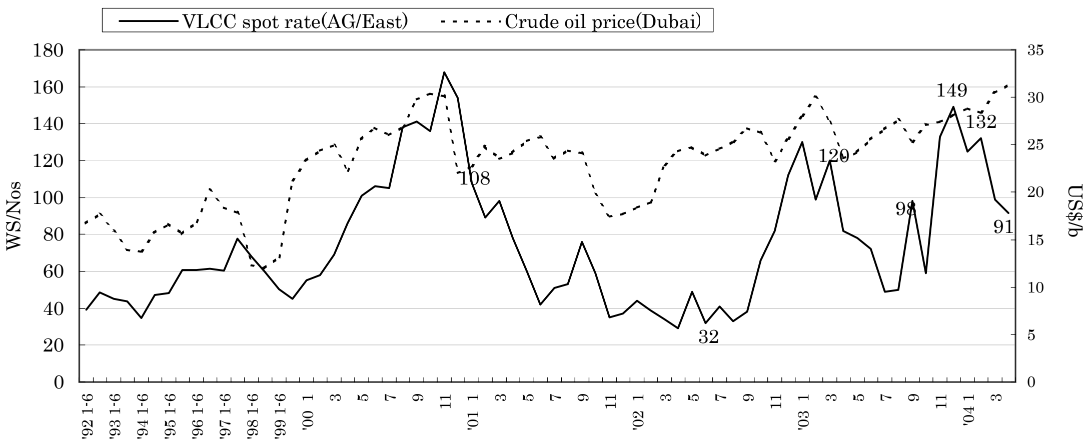
(2) Dry Bulk Market (Baltic Dry Index)



	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Maximum	1,493	1,599	1,993	2,258	1,549	1,471	1,156	1,343	1,734	1,566	1,666	4,609	5,450
Minimum	1,053	1,233	1,148	1,622	1,030	1,237	799	803	1,371	855	931	1,674	4,489

**1992-1999 data on the graph are half-yearly averages.

(3) VLCC Market



AG/East VLCC spot rate

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Maximum	58	57	50	67	72	94	80	62	168	108	112	149	132
Minimum	33	37	33	42	46	52	47	36	55	35	29	49	91

**1991-1999 data on the graph are half-yearly averages.