

MOL Investor Guidebook

May 2008

Mitsui O.S.K. Lines, Ltd.

<http://www.mol.co.jp/ir-e/>

MOL Group Corporate Principles

- 1. As a multi-modal transport group, we will actively seize opportunities that contribute to global economic growth and development by meeting and responding to our customers' needs to this new era**
- 2. We will strive to maximize corporate value by always being creative, continually pursuing higher operating efficiency and promoting an open and visible management style that is guided by the highest ethical and social standards**
- 3. We will promote and protect our environment by maintaining strict, safe operation and navigation standards**

Long-Term Vision

To make the MOL Group an excellent and resilient organization that leads the world shipping industry

Forward-Looking Statements

This Investor Guidebook contains forward-looking statements concerning MOL's future plans, strategies and performance. These statements represent assumptions and beliefs based on information currently available and are not historical facts. Furthermore, forward-looking statements are subject to a number of risks and uncertainties that include, but are not limited to, economic conditions, worldwide competition in the shipping industry, customer demand, foreign currency exchange rates, price of bunker, tax laws and other regulations. MOL therefore cautions readers that actual results may differ materially from these predictions.

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The MOL Group

History

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Safe Operation/Environment/CSR(Corporate Social Responsibility)

Evaluation by the Third Parties on Environment/CSR

Credit Ratings (as of March 2008)

Shareholder Composition (as of March 2008)

Share Prices 1994-2007

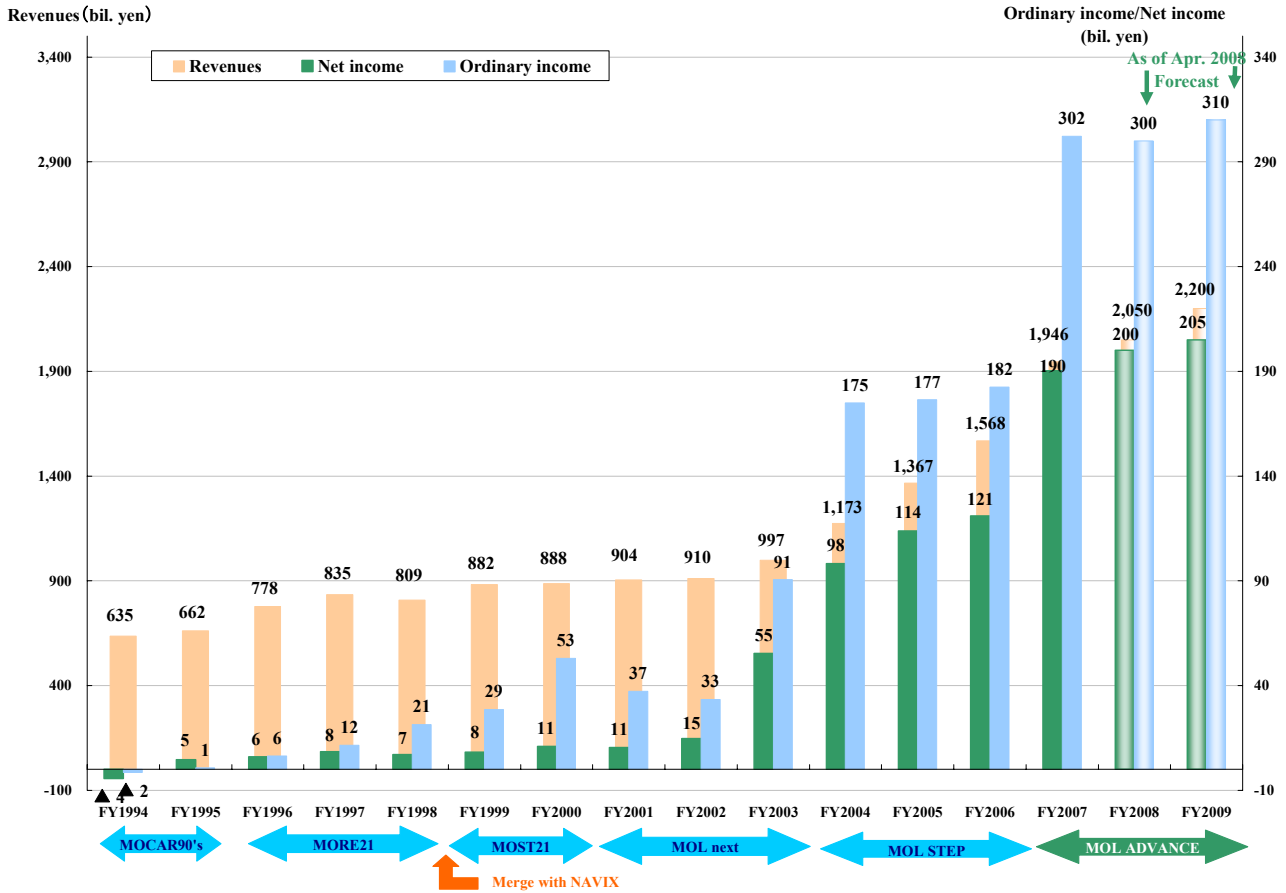
Shareholder Information

MOL Group IR Tools

1. MOL at a Glance

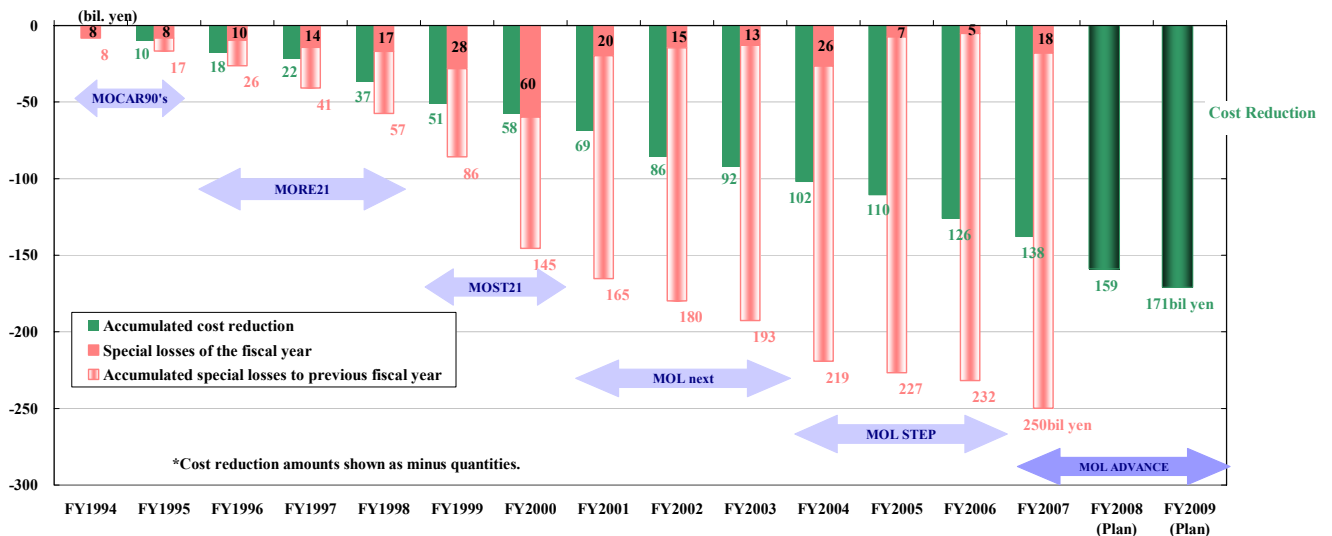
① History of MOL Business Performance

(1) P/L



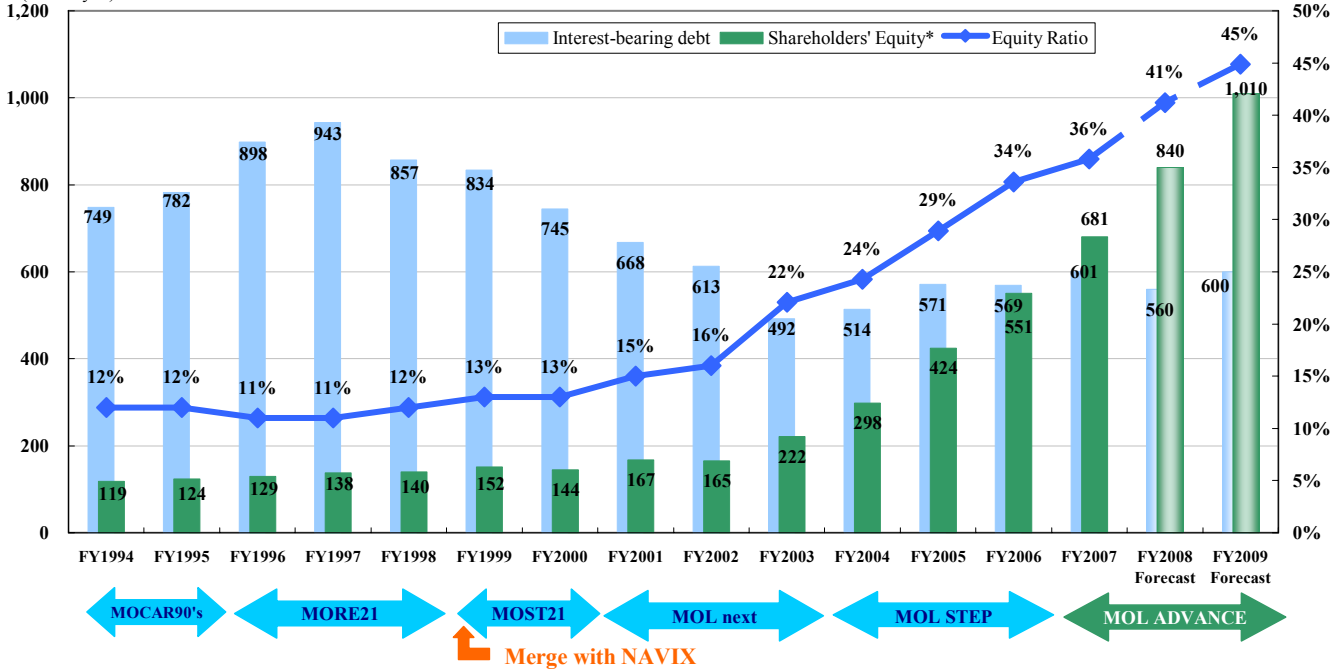
	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Average Exchange Rate (¥/\$)	100	96	112	123	130	112	110	125	122	114	108	112	117	116	100	100
Average Bunker Price (\$/MT)	102	108	116	105	80	117	159	136	163	178	193	280	321	409	530	530
Exchange Rate Sensitivity	bil. yen/1yen (max)		0.8	0.8	1.1	1.6	2.5	2.2	3.3	3.8						
Bunker Price Sensitivity	bil. yen/1\$ (max)		0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3						
Impact to Ordinary Income	bil. yen (estimation)		19.2	-10.4	-13.9	-14.1	-14.8	-1.1	-32.5	-95.4						

(2) Reinforce Cost Competitiveness



(3) B/S

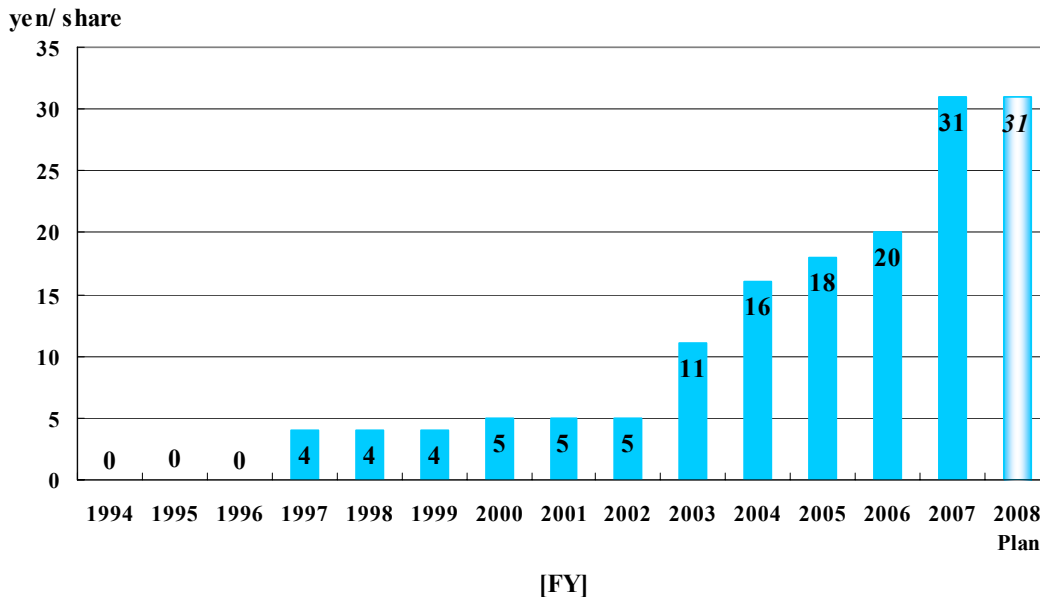
(billion yen)



*"Shareholders' Equity" refers to,

- To FY2005: Shareholders' equity on the consolidated Balance Sheet
- From FY2006: Owners' equity plus accumulated gains from valuation and translation adjustments

(4) Dividends



■ Dividend Policy

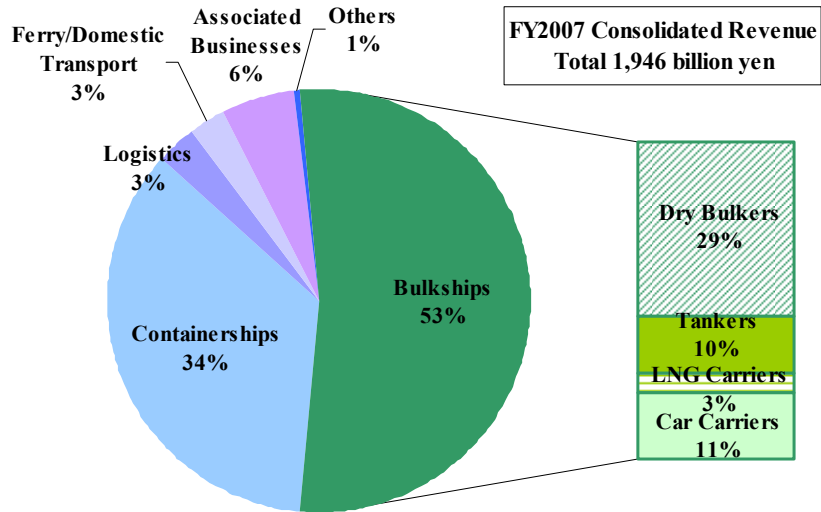
*The company recognizes the importance of increasing corporate value through aggressive business investment and returning profits directly to the shareholders through dividends.

*In the midst of an aggressive investment plan, mainly in vessels, based on our mid-term management plan aiming for further growth, we are seeking to increase our corporate value per share while utilizing internally reserved funds and solidifying our financial position.

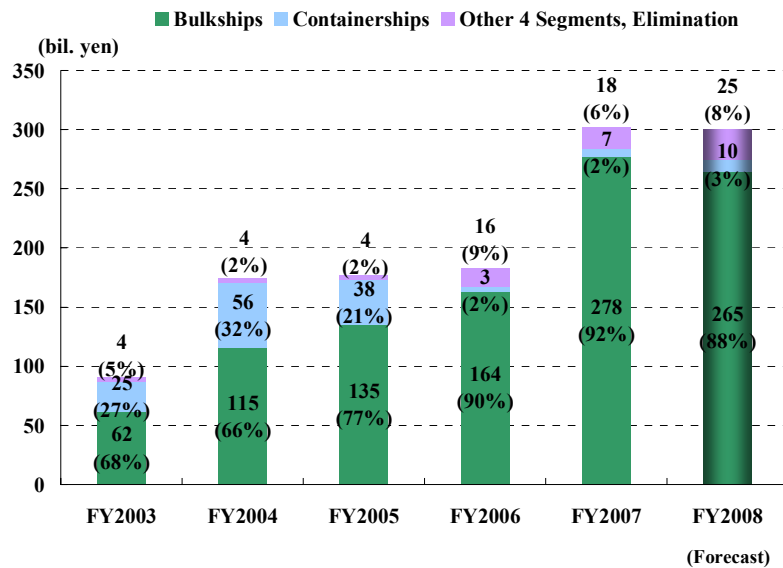
*In consideration of the above issues, the company will use 20% as a guideline for the dividend payout ratio over the coming terms, and pay dividends in conjunction with consolidated performance. However, MOL will address the need to increase the ratio under its mid-and long-term management policies.

② Strategically Balanced Business Portfolio

(1) Consolidated Revenue by Segments

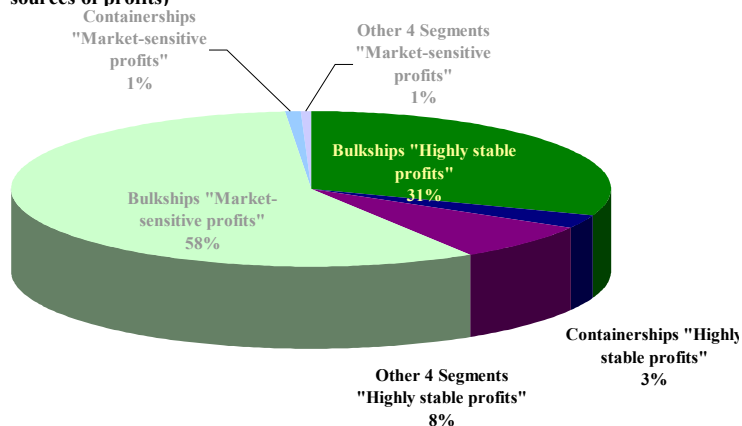


(2) Consolidated Ordinary Income by Segments



(3) Portion of "Highly Stable Profit"

The dark color components show "highly stable profits" (the projected profits from middle and long-term contracts and other highly stable sources of profits)



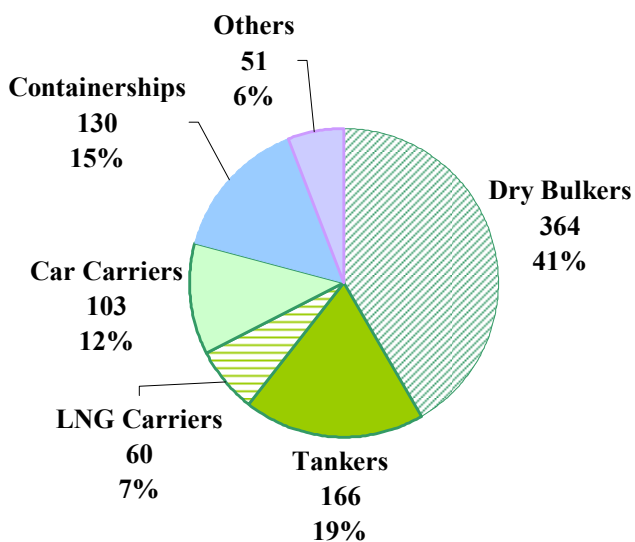
FY2008 Consolidated Ordinary Income (Forecast at beginning of FY)	
Total	300 bil. yen
Highly stable profits	123 bil. yen

(4) Fleet Composition (at the end of March 2008, Consolidated)

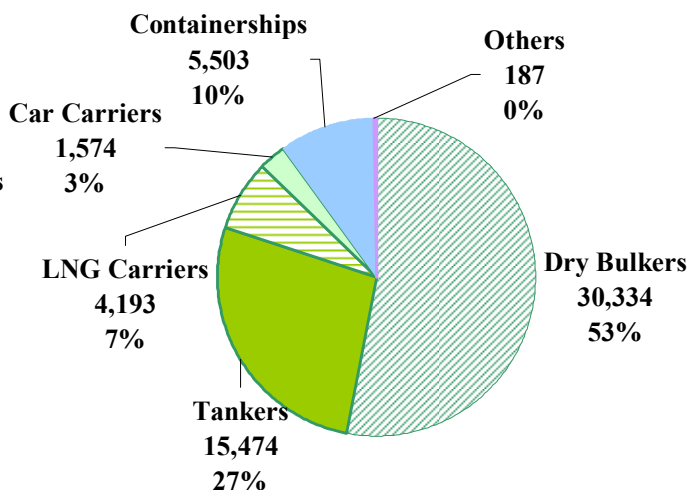
			At the end of Mar. 2008		At the end of Mar. 2007	
			No. of vessels	1,000dwt	No. of vessels	1,000dwt
Dry bulker	Bulk carrier	Cape size	97	17,245	97	16,760
		Panamax	55	4,295	50	3,767
		Handymax	33	1,698	26	1,305
		Handy	42	1,209	39	1,120
	Heavy lifter	9	138	9	138	
	Wood chip carrier	46	2,199	38	1,780	
	Steaming coal carrier	35	2,931	33	2,756	
	General cargo carrier	47	619	44	530	
(Sub total)			364	30,334	336	28,156
Tanker	Crude oil tanker		41	10,981	40	10,796
	Product tanker		43	2,361	43	2,329
	Chemical tanker		72	1,693	72	1,659
	LPG tanker		10	439	7	287
	(Sub total)		166	15,474	162	15,072
LNG carrier			60	4,193	58	4,129
Car carrier			103	1,574	94	1,425
Containership			130	5,503	109	4,376
Ferry/Domestic carrier			46	159	39	143
Cruise ship			2	9	2	9
Others			3	19	3	18
Total			874	57,265	803	53,329

Note) Including spot-chartered ships and those owned by joint ventures

Composition by Number of Vessels



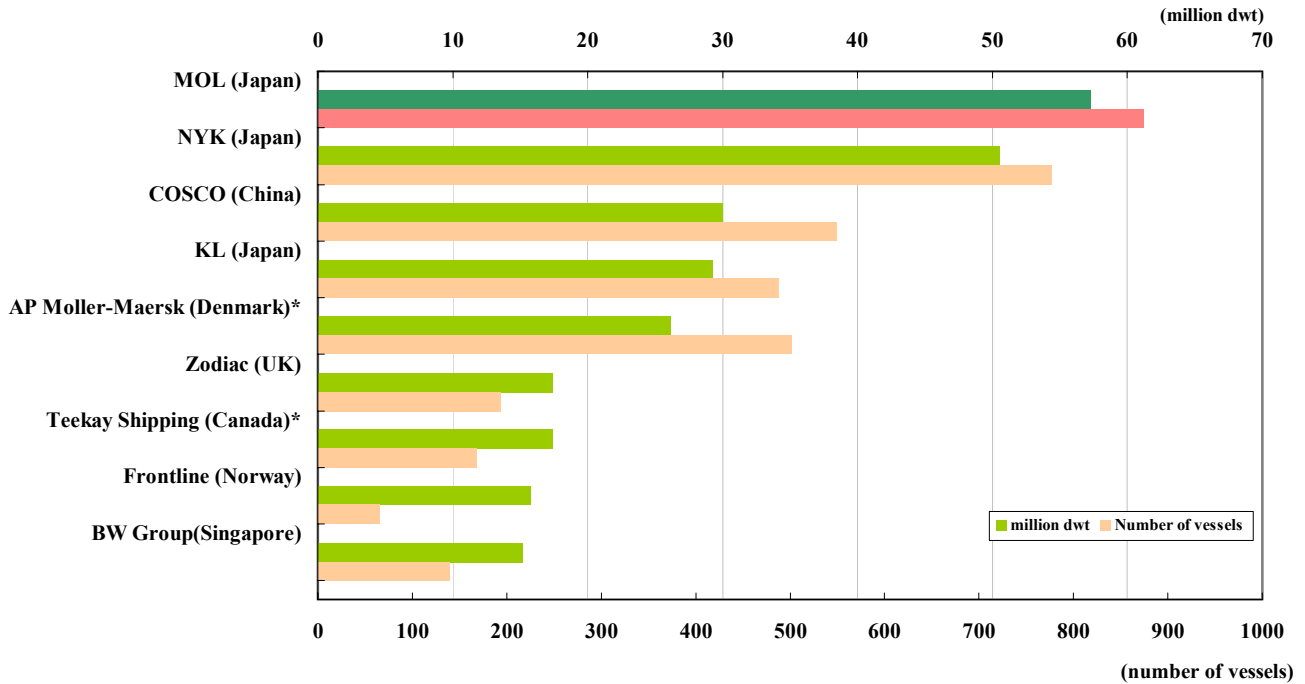
Composition by Deadweight



③ Market Position

(1) World Major Carriers' Fleet Size Ranking

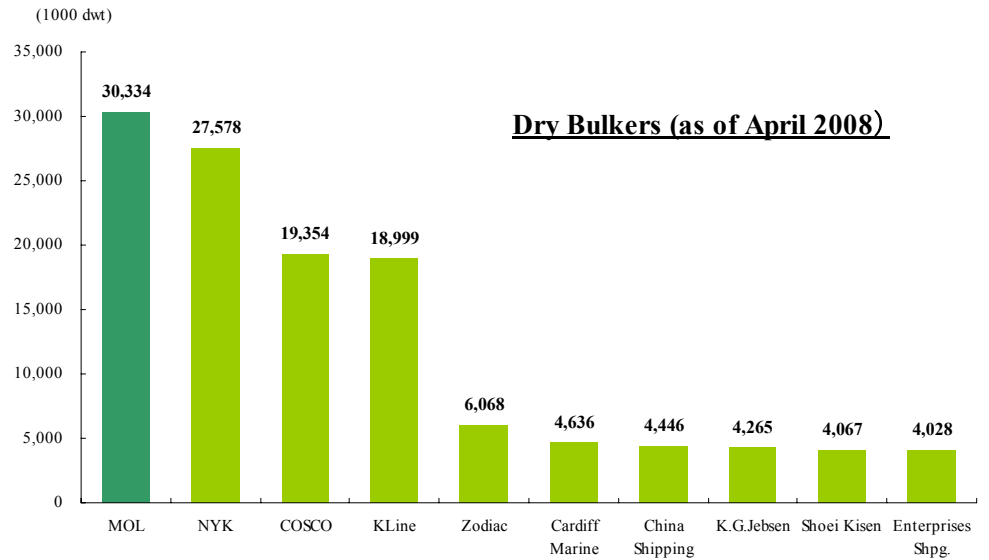
All Vessel Types (Consolidated; as of April 2008)



Source: Companies' published data, Clarkson Bulk Carrier Register 2008, etc.

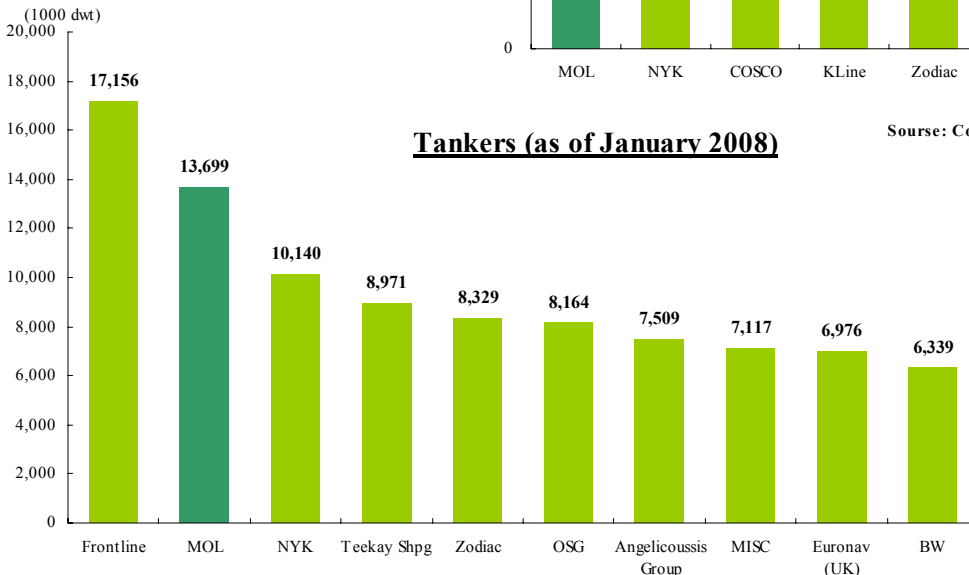


Dry Bulkers (as of April 2008)



Source: Companies published data, Clarkson Bulkcarrier Register 2008

Tankers (as of January 2008)

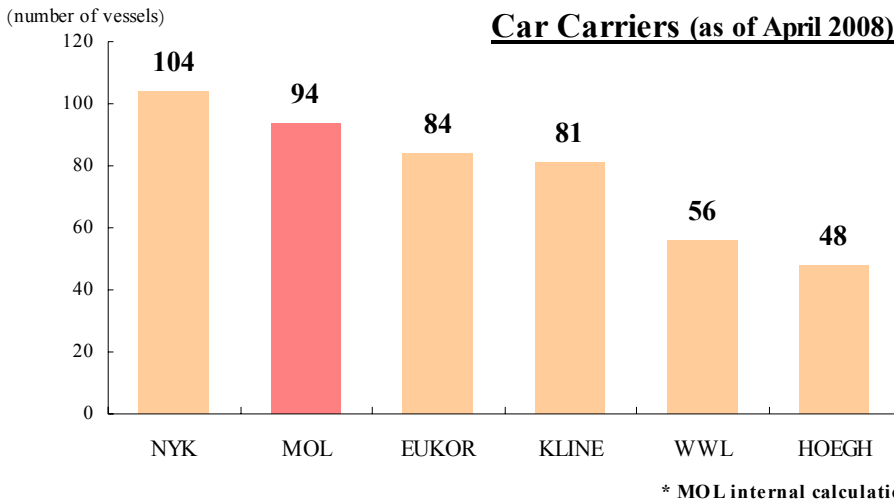
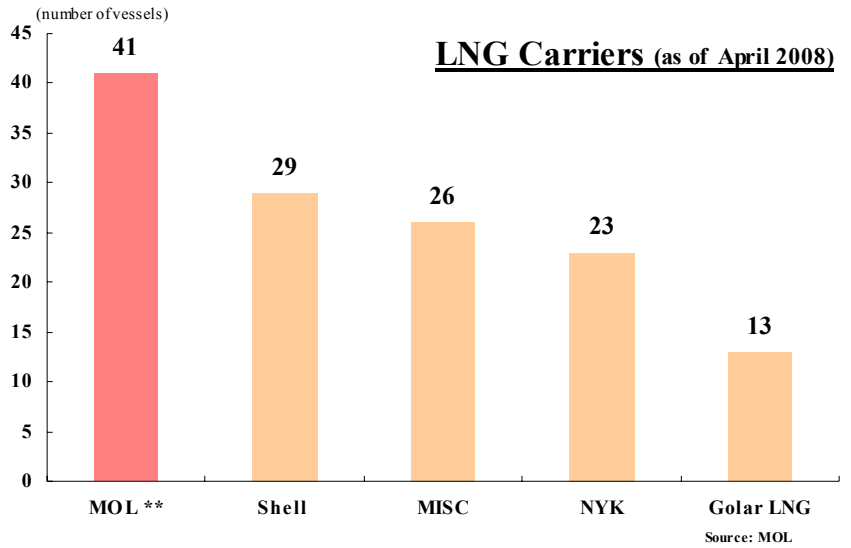


Source: Clarkson Tanker Register 2008



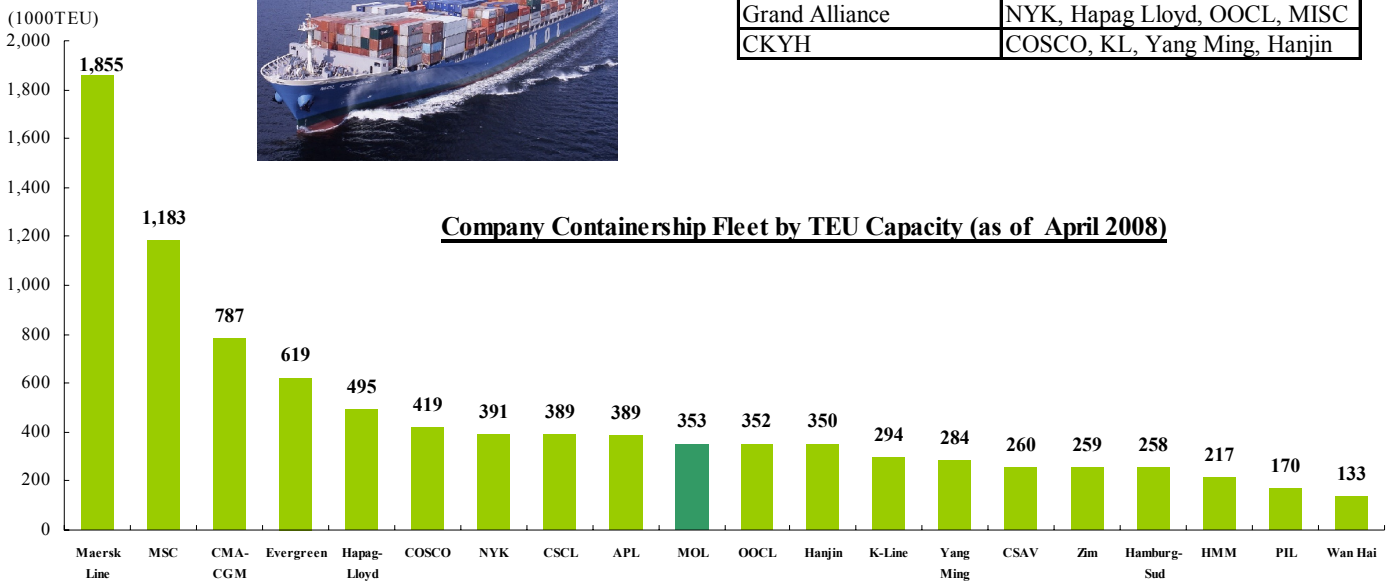


* Fleet under its management or more than 50% of ownership
 **MOL already secured 80 vessels of the total 350 in the world including the ones to be delivered by 2010.



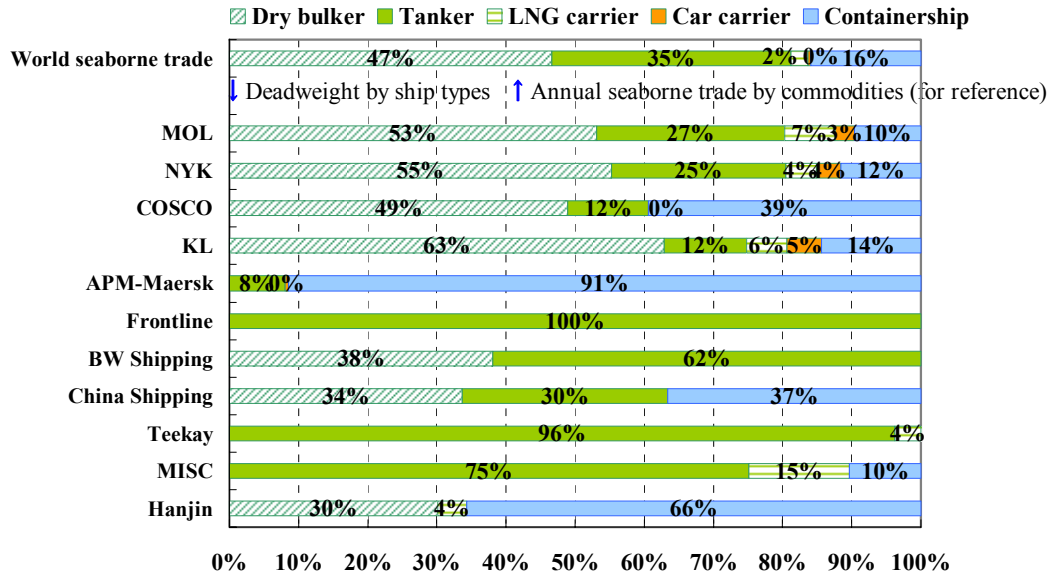
Major Global Alliance

The New World Alliance	MOL, APL(NOL), Hyundai
Grand Alliance	NYK, Hapag Lloyd, OOCL, MISC
CKYH	COSCO, KL, Yang Ming, Hanjin



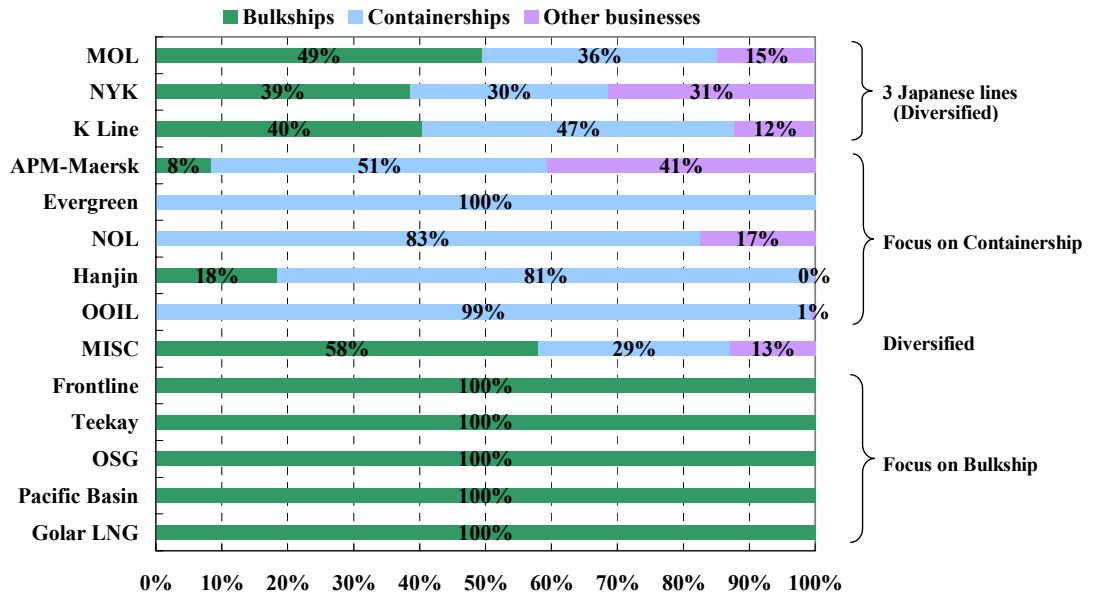
Source: MDS Transmodal "Containership Databank" April 2008

(2) World Major Carriers' Fleet Composition



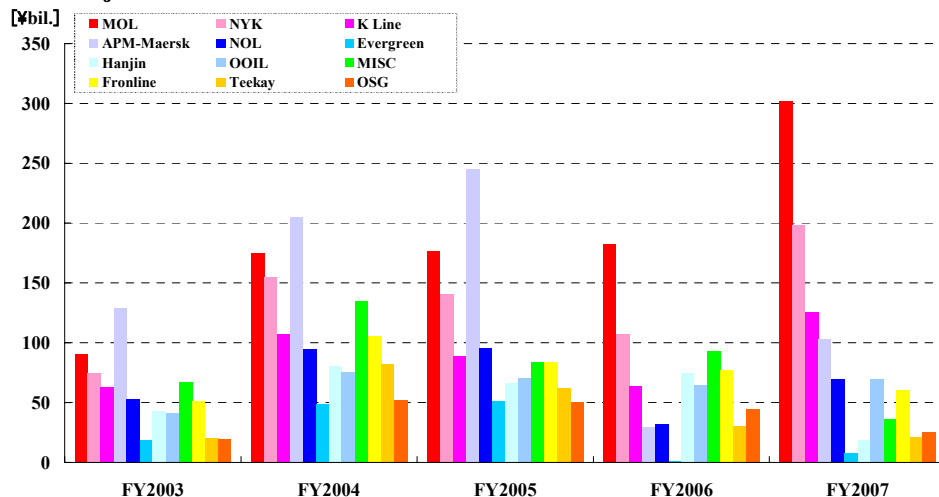
Source: World seaborne trade = MOL estimates based on Clarkson Shipping Review Autumn 2007 and others. Fleet composition = MOL calculates based on each company's homepage and Clarkson /MDS data. Excluding Passenger ships /ferries.

(3) World Major Carriers' Revenue Portfolio by Segments



Source: MOL calculates based on each company's financial statement (2007.1-12). (Containerships include container terminals /agency businesses.)

(4) History of World Major Carriers' Profits



Note: Comparison by ordinary income (income before extraordinary gains and losses, income taxes, and minority interests) or income similar to this one. This is based on the financial results announced by each company. Financial figures of APM-Maersk excluded profits of segments other than those related to ocean shipping, such as oil and gas activities.

2. MOL ADVANCE

MOL Group Midterm Management Plan FY2007-2009

MOL ADVANCE

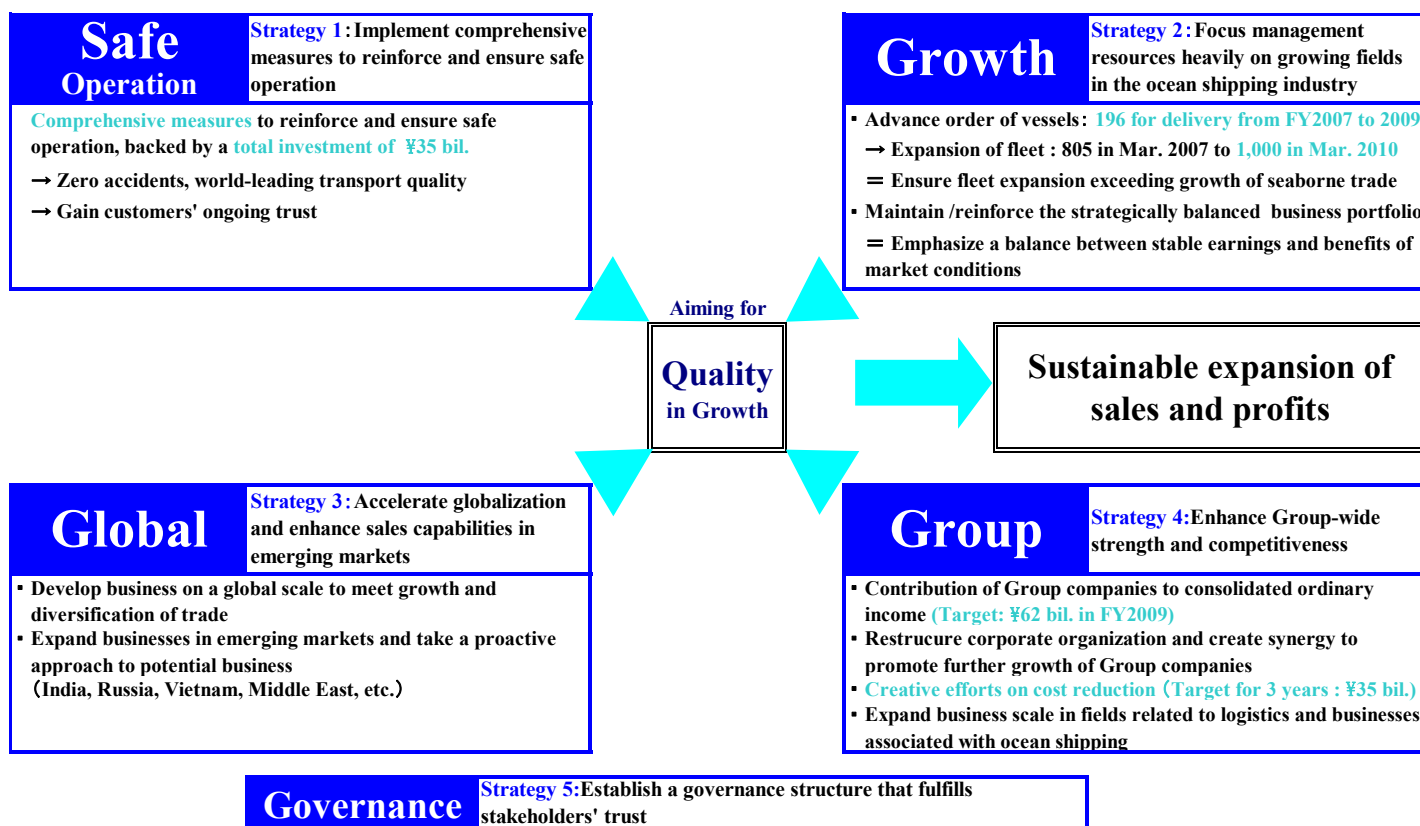
Mitsui **O.S.K. Lines'** Action and Direction at the **Vanguard** of **Creating Excellence**

Long-Term Vision: To make the MOL Group an excellent and resilient organization that leads the world shipping industry

Main Theme: "Growth with enhanced quality"

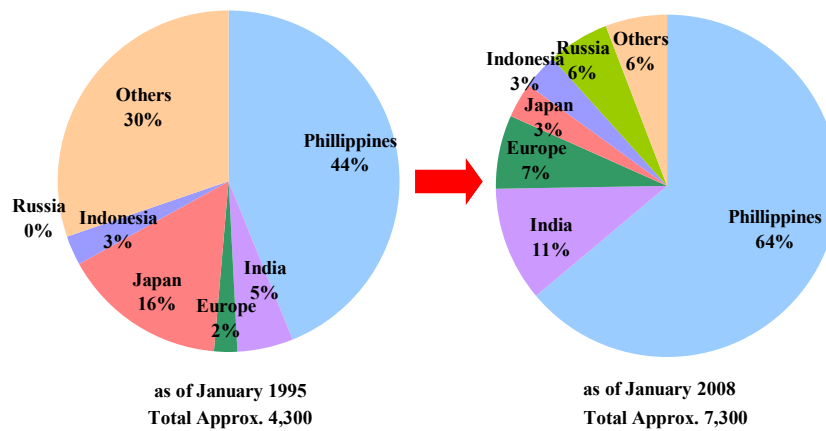
Ensuring safe operation is the highest priority, while achieving sustainable growth and enhancing quality

① Overall Strategies



② Measures to Reinforce Safe Operation

Action		Cost [bil. yen] (incl. Capital Expenditure)
Software	Consolidation of organizational structure (Ship management structure and establishment of Safe Operation Support Center, etc.)	13.0
	Recruit/develop skilled seafarers	
Hardware	Enforce safety standards,	22.0
	Ensure thoroughness of ship maintenance policies, etc.	
		35.0



③ Fleet Expansion Plan

(1) Details of Fleet Expansion Plan (As of April 2008)

		Fleet scale at the end of March 2008 (Actual)	MOL ADVANCE (FY2007 - FY2009)				Fleet scale at the end of March 2010 (Plan)	(FY2010 - FY2012)	
			Ships to join MOL fleet (Ordered)					Ships to join MOL fleet (Plan)	Fleet scale at the end of March 2013 (Target)
			FY2007 (Actual)	FY2008	FY2009	FY2007 - FY2009			
Bulkships	No. of vessels	693	→				800	→	950
	New vessel launching		48	76	62	186	→	158	
	Dry Bulkers	364	→				400		
	New vessel launching		24	24	21	69			
	Tankers	166	→				200		
	New vessel launching		12	24	27	63			
	LNG Carriers	60	→				80		
	New vessel launching		2	14	4	20			
	Car Carriers	103	→				120		
	New vessel launching		10	14	10	34			
Containerships	No. of vessels	130	→				150	→	190
	Capacity ['000 TEU]	4,269	→				6,420		
	New vessel launching		11	9	9	29	→	34	
Others	No. of vessels	51	→				50	→	60
	New vessel launching		1	0	1	2	→	3	
Total	No. of vessels	874	→				1,000	→	1,200
	New vessel launching		60	85	72	217	→	195	

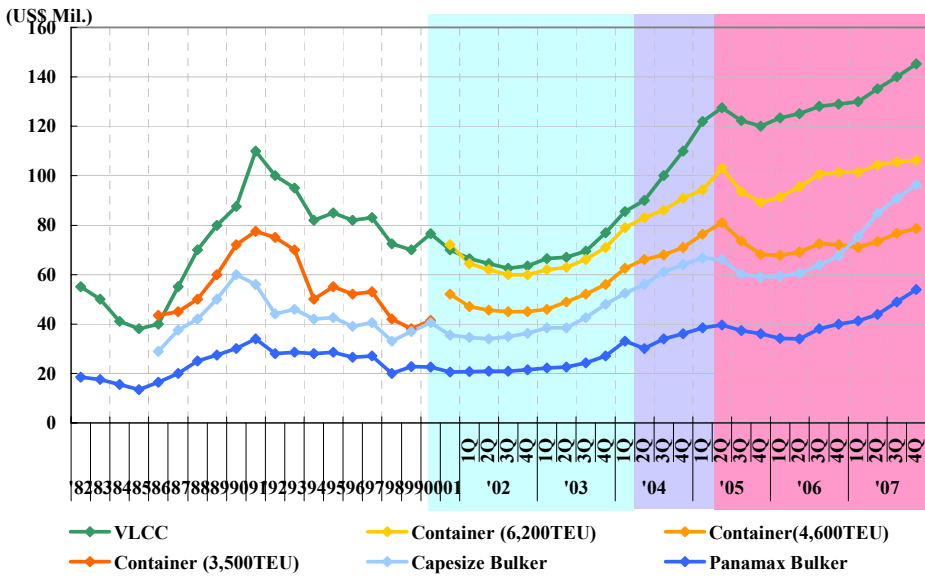
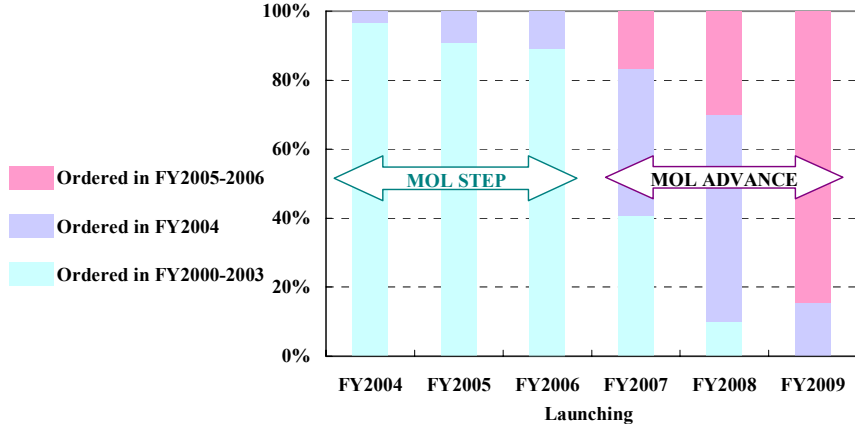
Notes: 1)Fleet scale at the end of fiscal years includes spot-chartered ships and those owned by joint ventures.

2)Numbers of ships to join MOL fleet exclude spot-chartered ships and include those owned by joint ventures.

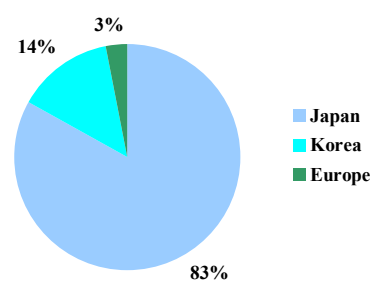
3)Capacity = Total slots on containerships during FY2007 and FY2009, respectively.

4)Fleet scale at the end of March 2008 includes numbers of ships actually joined MOL fleet during FY2007.

(2) Time of Orders and Ship Prices

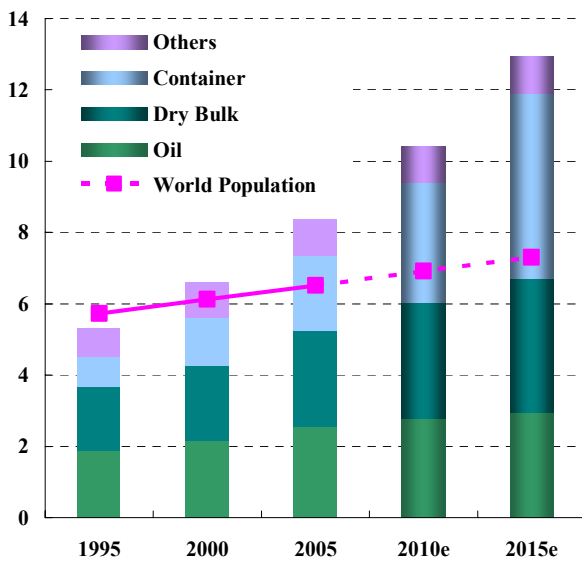


【Reference】Where ships are built (During MOL ADVANCE period)



(3) World Seaborne Trade and MOL Group's Fleet Expansion Plan

World Population and Seaborne Trade
[billion tons/billion people]



Growth	Other cargoes	Container	Dry bulk	Oil	Total
1995	4.9%	10.0%	2.9%	3.2%	4.5%
2000	0.1%	9.9%	4.9%	3.3%	4.8%
2005	0.0%	9.7%	4.0%	1.8%	4.2%
2010e	1.2%	9.0%	2.9%	1.2%	4.6%

MOL Group's Fleet Growth

(based on number of vessels)

	MOL STEP 2004.3 ~2007.3	MOL ADVANCE 2007.3 ~2010.3	2010.3 ~2013.3
Bulkships	7.0%	7.2%	5.9%
Containerships	14.0%	10.9%	8.2%
Other ships	3.2%	3.6%	6.3%
Total	7.9%	7.4%	6.2%

(annual rates)

Bulkships = Dry Bulk Carriers, Tankers, LNG Carrier, Car Carriers

Others ships = Ferries, Domestic Carriers, Passenger Ships

Sources

Population: UN statistics

Seaborne trade: Results = Clarkson

Estimate = As follows.

MOL internal calculation

MOL internal calculation based on Drewry, etc.

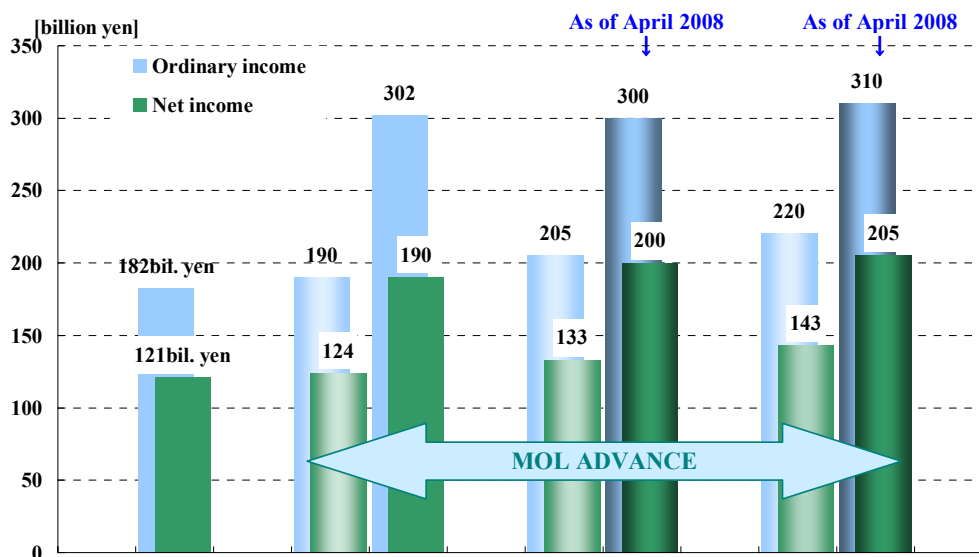
MOL internal calculation based on Drewry, MSI, etc.

DOE

Annual rates. Other cargoes = non-containerized cargoes other than dry bulk and oil.

④ Profit Plan

(1) Overall Profit Plan



	FY2006	FY2007		FY2008		FY2009	
	Result	Plan	Result	Plan	Forecast	Plan	Forecast
Revenue	1,568	1,640	1,946	1,880	2,050	2,060	2,200
Profit margin ratio	11.6%	11.6%	15.5%	10.9%	14.6%	10.7%	14.1%
Average exchange rate(¥/\$)	117.40	110	115.55	110	100	110	100
Average bunker price (\$/MT)	321	300	409	300	530	300	530

Market assumption (Dry Bulkers : Daily charterhire (US), VLCC : World Scale (WS))

Plans : as of March 2007

	FY06	FY2007		FY2008		FY2009	
	Result	Plan	Result	Plan	F'cast	Plan	F'cast
Dry Bulker							
(Capesize)	53,000	55,000	125,000	45,000	110,000	45,000	90,000
(Panamax)	29,000	27,000	60,000	22,500	55,000	22,500	50,000
(Handy Max)	27,000	25,000	48,000	22,000	40,000	18,000	40,000
(Small Handy)	19,000	20,000	33,000	16,500	30,000	13,500	30,000
Tanker (VLCC)	81	90	90	90	110	90	110

- 1) Results figures for dry bulker are 12 months average of general market rates during Japanese fiscal year.
- 2) VLCC's plans and forecasts are for double-hulled vessels
- 3) Results figures for VLCC are 12 months average of general market rates for both double-hulled and single-hulled vessels during Japanese fiscal year.

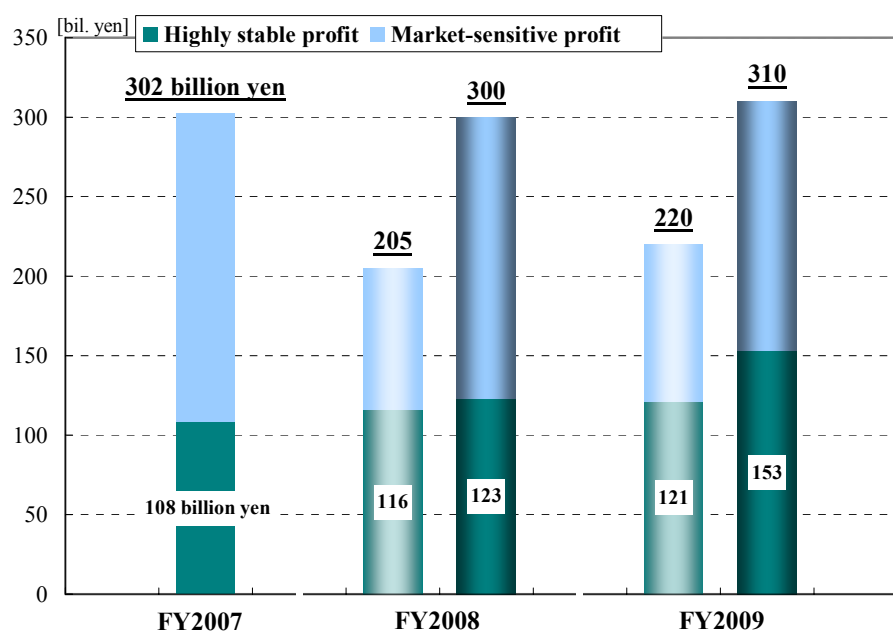
(2) Segment Information

(billion yen)		FY2006	FY2007		FY2008		FY2009		FY2012
			(Plan)	(Result)	(Plan)	(Forecast)	(Plan)	(Forecast)	(Target)
Bulkships	(A) Revenue	787	790	1,025	810	1,050	870		980
	(B) Ordinary income	164	161	278	164	265	168		183
	(B)/(A)	20.8%	20.4%	27.1%	20.2%	25.2%	19.3%		18.7%
Containerships	(A) Revenue	569	620	687	820	750	910		1,200
	(B) Ordinary income	3	10	7	20	10	30		50
	(B)/(A)	0.6%	1.6%	1.0%	2.4%	1.3%	3.3%		4.2%
Logistics	(A) Revenue	56	66	61	84	73	105		140
	(B) Ordinary income	2	3	2	4	3	5		7
	(B)/(A)	4.1%	3.8%	3.6%	4.2%	3.8%	4.8%		5.0%
Ferry & domestic transport	(A) Revenue	50	53	53	54	60	57		65
	(B) Ordinary income	0	2	0	3	2	3		5
	(B)/(A)	0.0%	3.8%	0.9%	4.6%	3.8%	5.3%		7.7%
Associated businesses	(A) Revenue	100	102	109	103	107	109		110
	(B) Ordinary income	13	13	14	13	13	13		14
	(B)/(A)	13.1%	12.7%	12.7%	12.6%	11.8%	11.9%		12.3%
Others	(A) Revenue	8	9	11	9	10	9		5
	(B) Ordinary income	3	3	5	3	3	3		3
	(B)/(A)	39.2%	33.3%	46.0%	33.3%	27.0%	27.8%		50.0%
Elimination	Revenue	-	-	-	-	-	-		-
	Ordinary income	△ 3	△ 2	△ 4	△ 1	△ 5	△ 2		△ 1
Consolidated	(A) Revenue	1,568	1,640	1,946	1,880	2,050	2,060	2,200	2,500
	(B) Ordinary income	182	190	302	205	300	220	310	260
	(B)/(A)	11.6%	11.6%	15.5%	10.9%	14.6%	10.7%	14.1%	10.4%

* "Revenue" = Revenues from customers, non-consolidated subsidiaries and affiliated companies

Plans and Target: as of March 2007

(3) Accumulation of Highly Stable Profits



Av. Ex. Rate(¥/\$)
Av. Bunker Price(\$/MT)

	FY2007 Result	FY2008 Plan	FY2008 Forecast	FY2009 Plan	FY2009 Forecast
Av. Ex. Rate(¥/\$)	115.55	110	100	110	100
Av. Bunker Price(\$/MT)	409	300	530	300	530

Highly stable profit = The projected profits from middle and long-term contracts and other highly stable sources of profit. For FY2007, the total figure is the result ordinary profit, while stable profit is the forecasted figure as of the term beginning assuming ¥110/\$ for Ex. rate and \$300/MT for bunker.

Highly stable profit + Market-sensitive profit = Ordinary income

⑤ Financial Indices

(1) Financial Indices (Guideline)

	FY2006 Result	FY2007 Result	FY2008 Forecast	FY2009 Plan*4
Equity ratio*1	34%	36%	41%	40% or more
Gearing ratio*2	1.03	0.88	0.67	1.0 or less
ROA*3	7.8%	10.8%	10.2%	7% or more

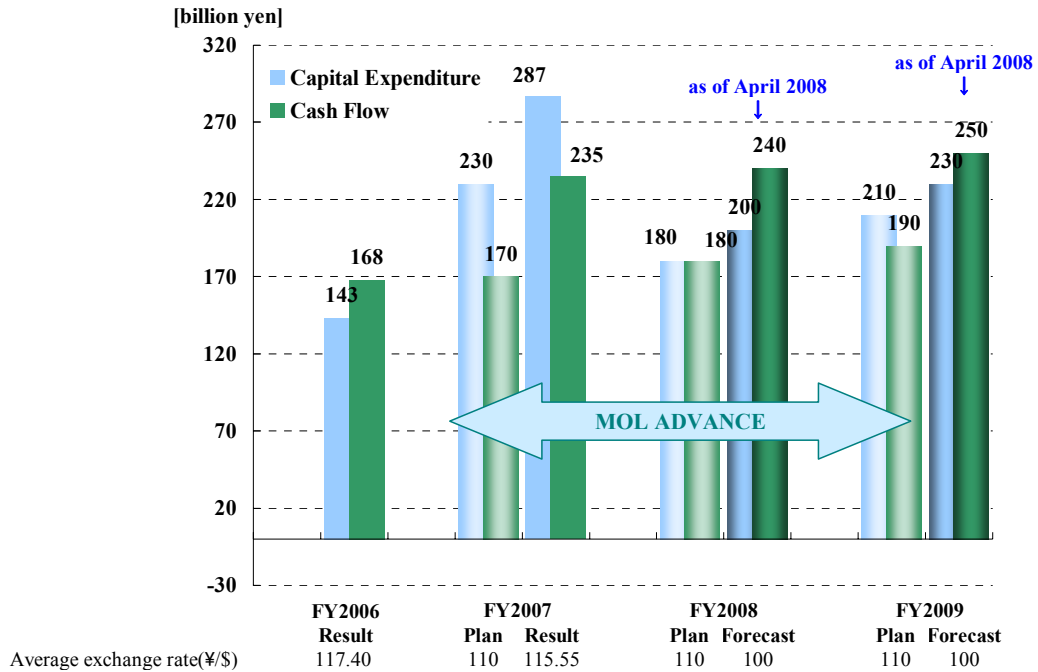
*1 Shareholders' equity/Total assets

*2 Gearing ratio = Interest bearing debt/Shareholders' equity
(Shareholders' equity = Owners' equity+accumulated gains from valuation and translation adjustment)

*3 ROA = Net income/Average total assets of at the beginning and end of fiscal year

*4 Plan = as of March 2007

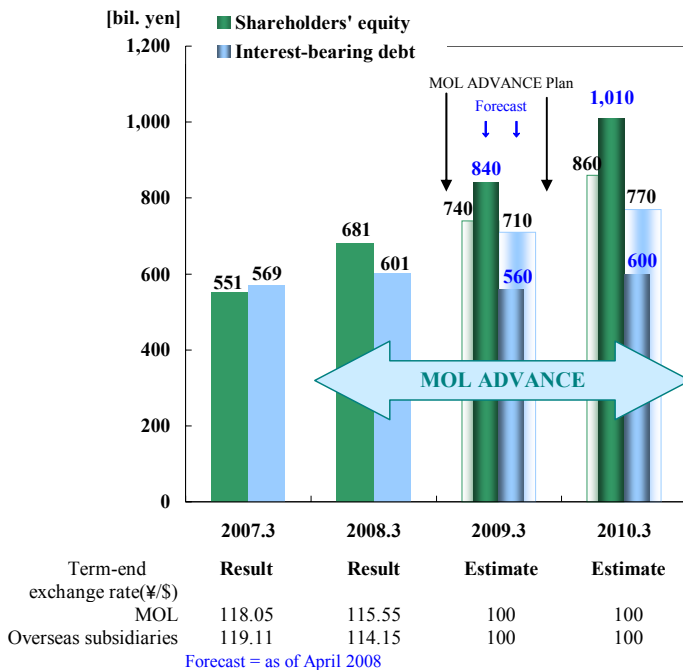
(2) Capital Expenditure and Cash Flow



Cash flow = Net income + Depreciation - Dividend

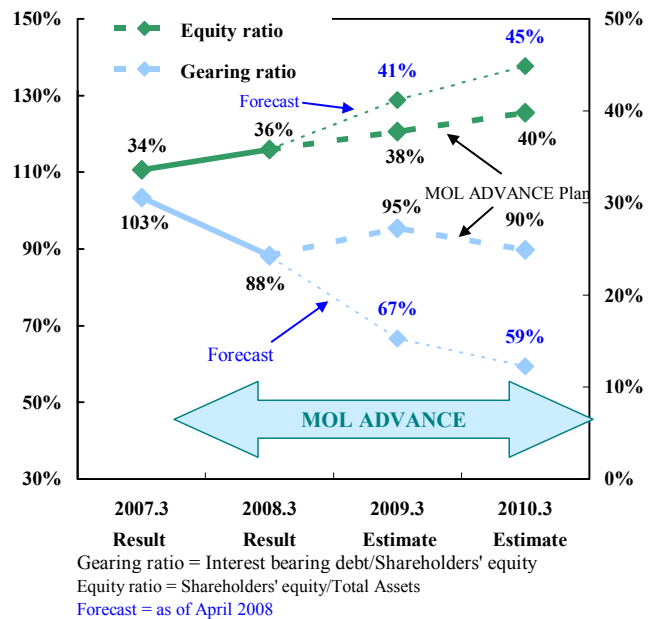
Plans : as of March 2007

(3) Shareholders' equity and Interest-Bearing Debt



Gearing ratio

Equity ratio



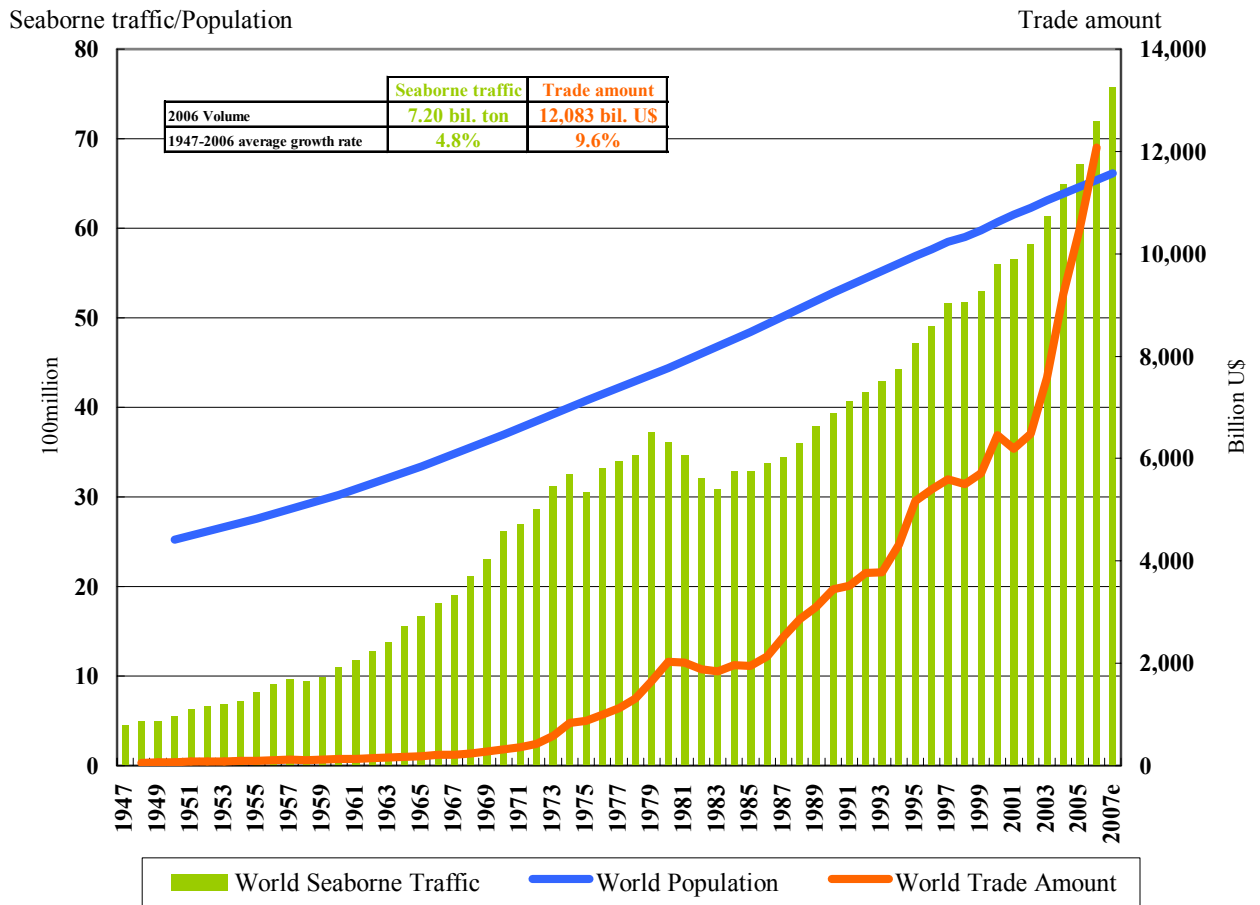
⑥ Creative Efforts on Cost Reduction

	(billion yen)			
	FY2007	FY2008	FY2009	Total
Sales Division	8	18	11	37
(Voyage expenses, container expenses, etc.)	(7)	(11)	(11)	(29)
Administration Division	4	3	1	8
(Administration expenses, interest payments, etc.)	(3)	(2)	(2)	(7)
Total	12	21	12	45
	(9)	(13)	(13)	(35)
MOL(Non-Consolidated)	11	20	12	43
	(8)	(12)	(13)	(33)
Group Companies	1	1	1	3
	(1)	(1)	(1)	(3)

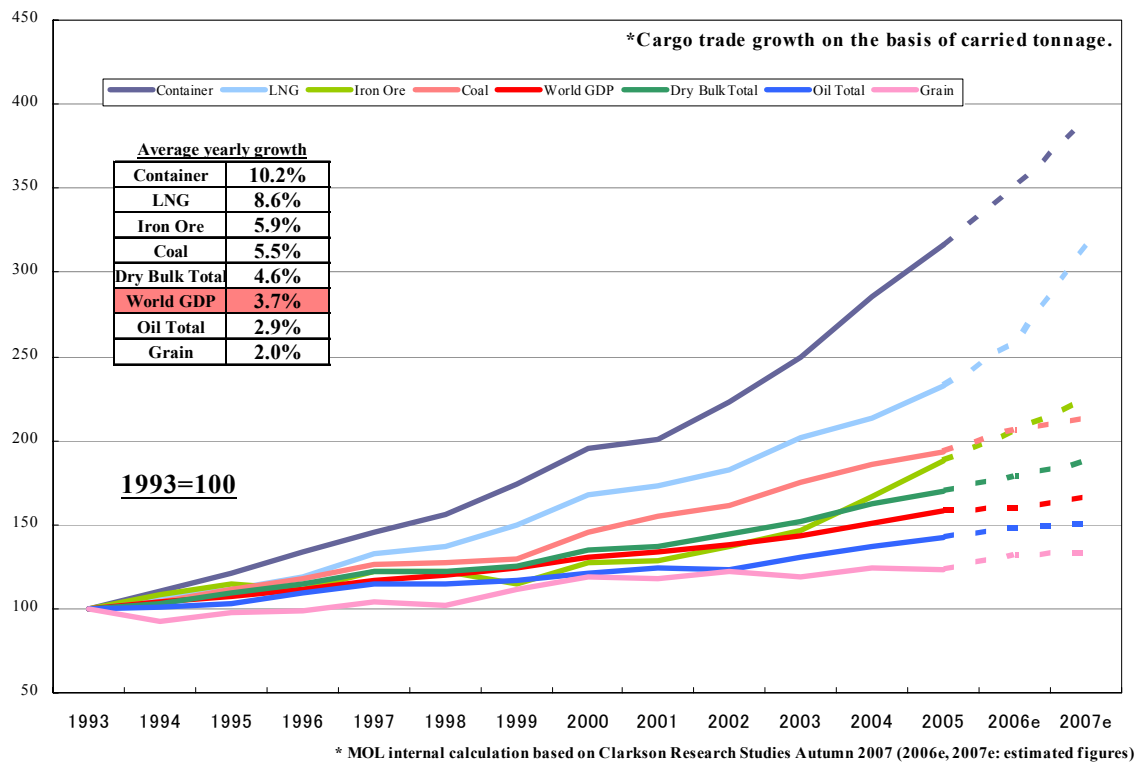
() : MOL ADVANCE Original Plan (as of March 2007)

3. Divisional Information

① Total Trade



Source: Fearnleys Review 2007, etc.

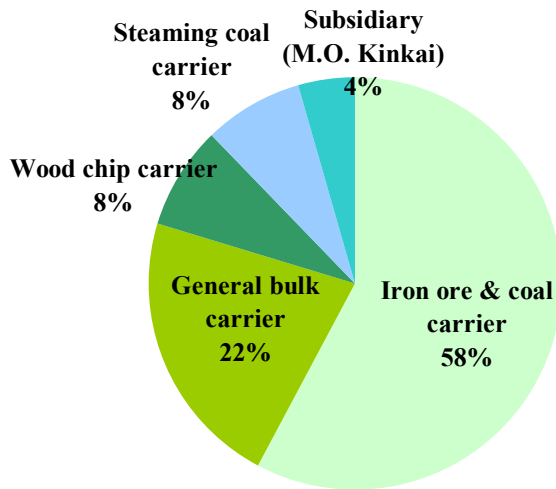


* MOL internal calculation based on Clarkson Research Studies Autumn 2007 (2006e, 2007e: estimated figures)

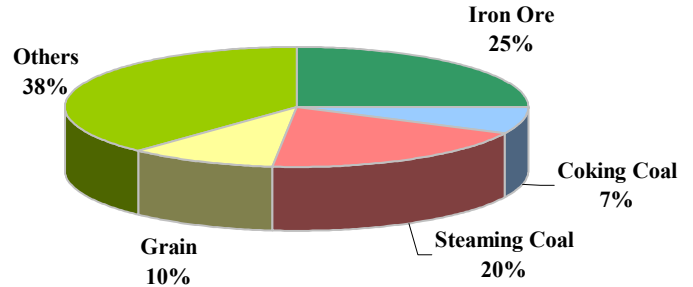
② Dry Bulkers

(1) MOL Data

(a) Revenue Breakdown (FY2007)



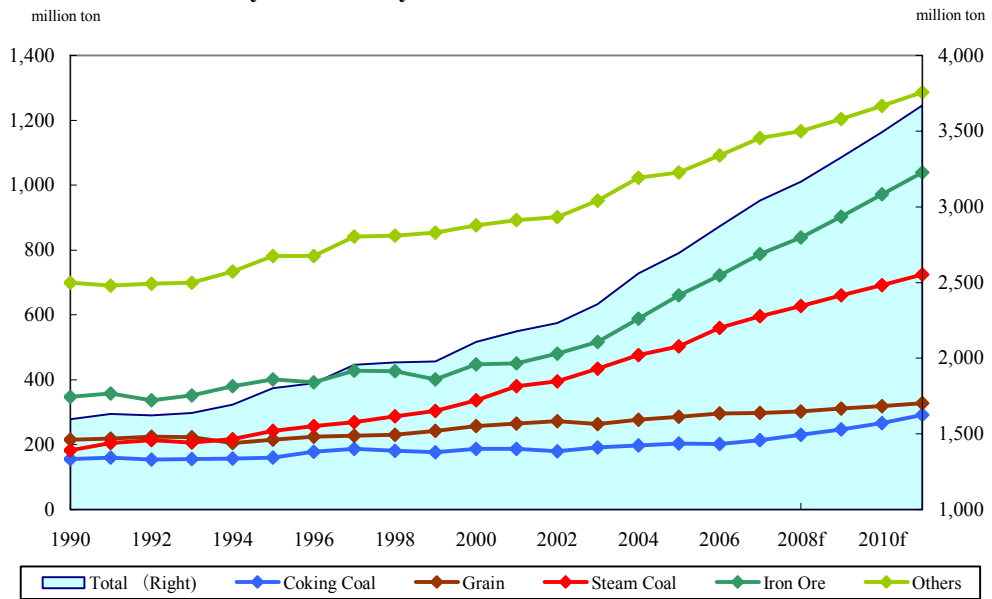
【Reference】 World Dry Bulk Trade by Commodities



Source: MOL internal calculation

(2) Industry Data

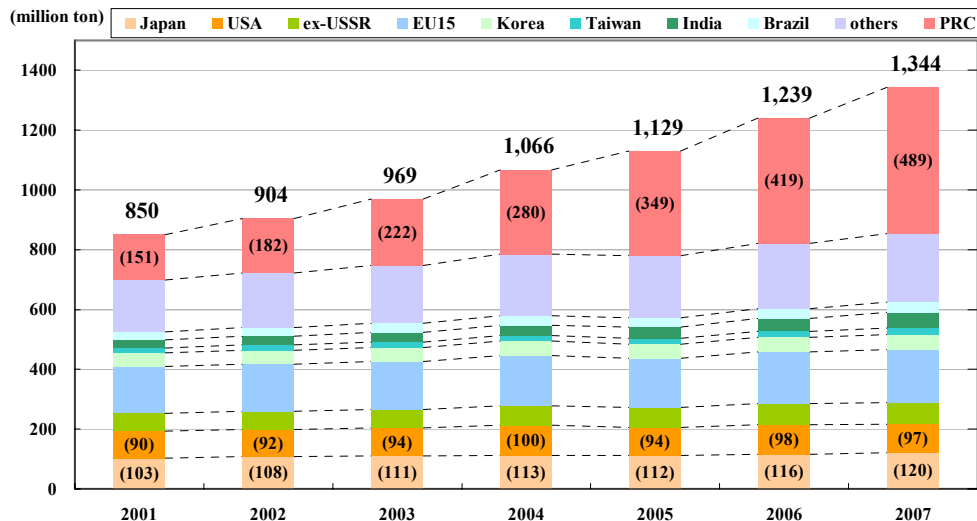
(a) World Dry Bulk Carrier Trade by Commodity



Source: MOL internal calculation

(b) Crude Steel

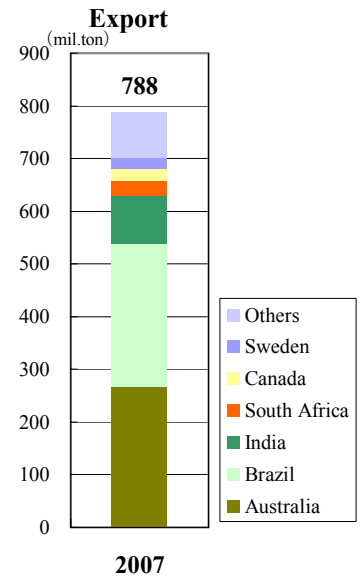
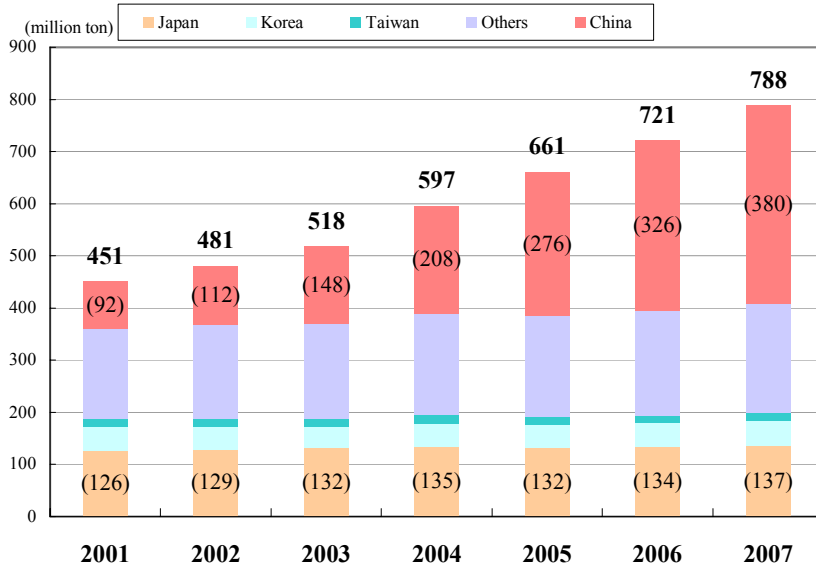
World Crude Steel Production



Source : IISI

(c) Iron Ore

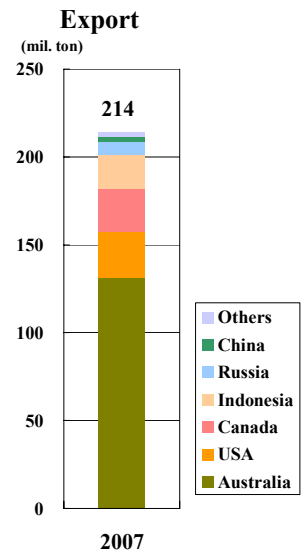
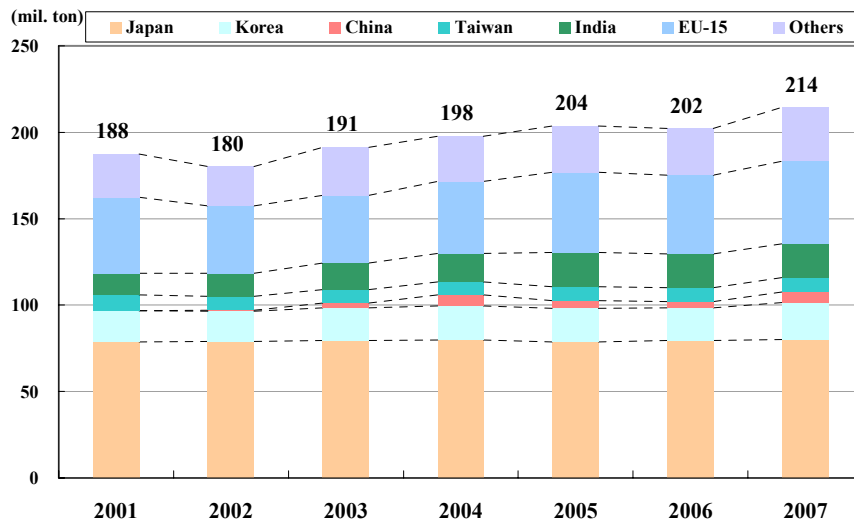
Import/Export area-wise World Iron Ore Seaborne Trade



Source: Clarkson

(d) Coking Coal

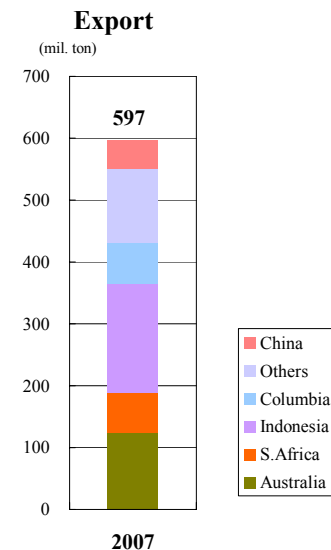
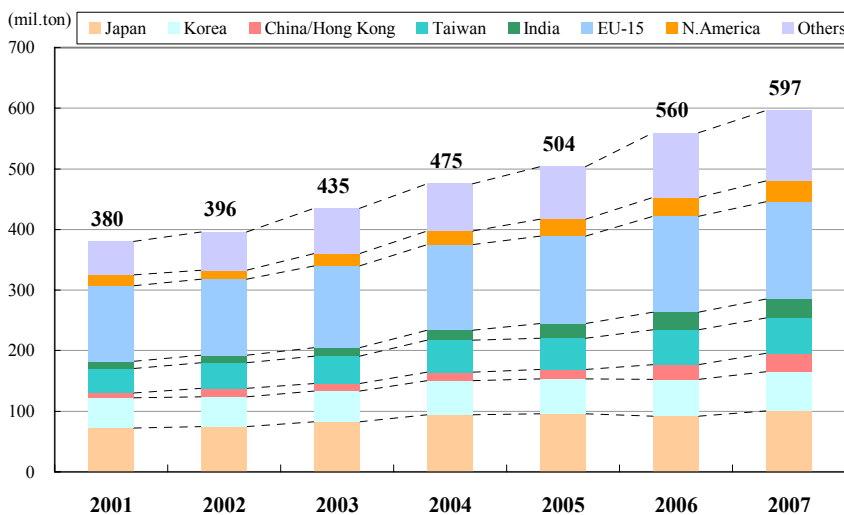
Import/Export area-wise World Coking Coal Seaborne Trade



Source: SSY, TEX Report

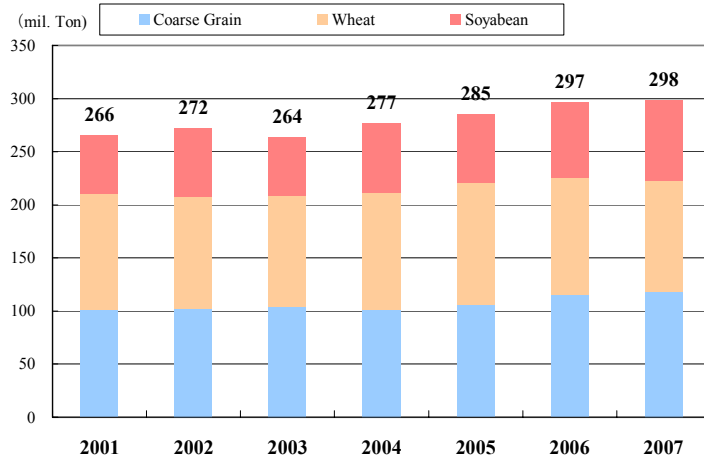
(e) Steaming Coal

Import/Export area-wise World Steaming Coal Seaborne Trade



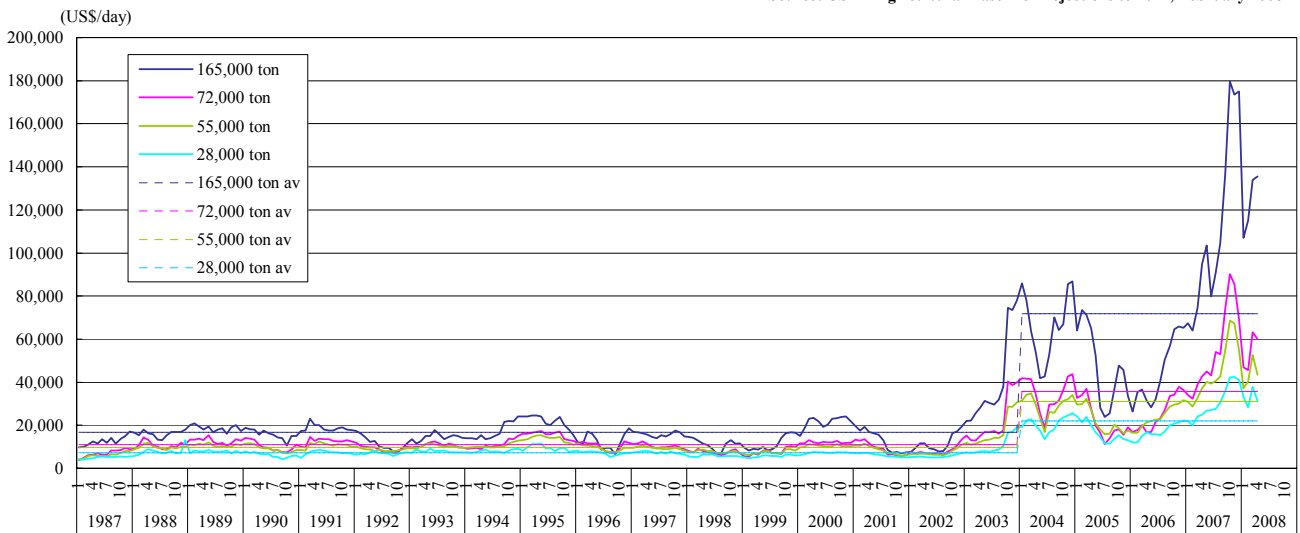
Source: SSY, TEX Report

(f) Grain
Commodity-wise World Grain Seaborne Trade



Source: USDA Agricultural Baseline Projections to 2017, February 2008

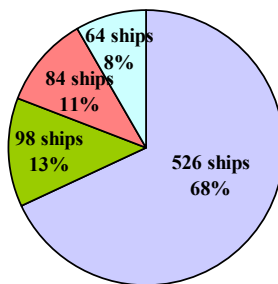
(g) Dry Bulkers Market



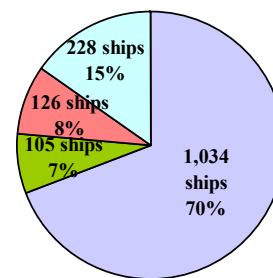
Source: Tramp Data Service (Pacific round charter rate)

(h) Dry Bulkers Age Profile

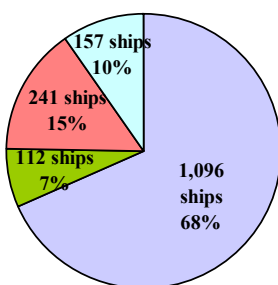
Capsize
 (100,000dwt~ 772 ships)



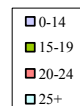
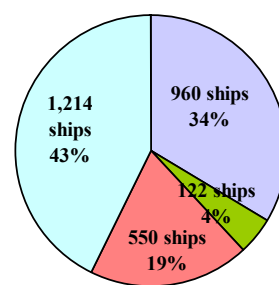
Panamax
 (60~99,000dwt 1,493 ships)



Handymax
 (40~59,000dwt 1,606 ships)



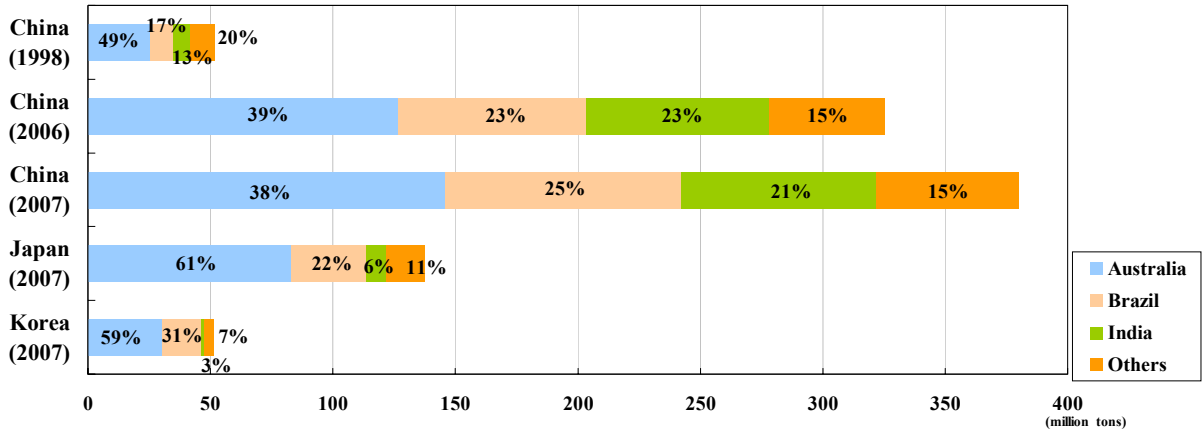
Handysize
 (10~39,000dwt 2,846 ships)



Clarkson "Dry Bulk Trade Outlook, Mar 2008"

(i) Other Information

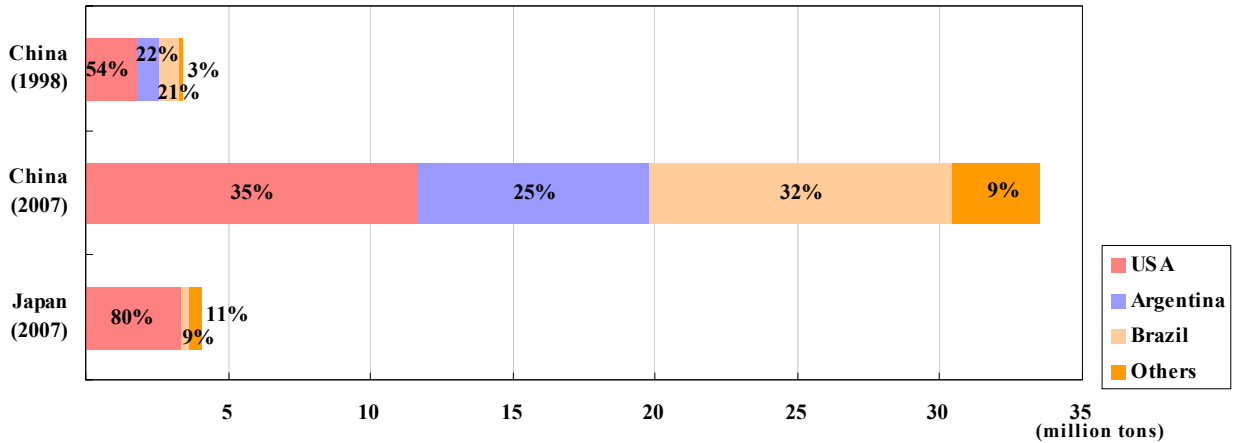
China's Import of Iron Ore by Nations of Origin



Source: Tex Report

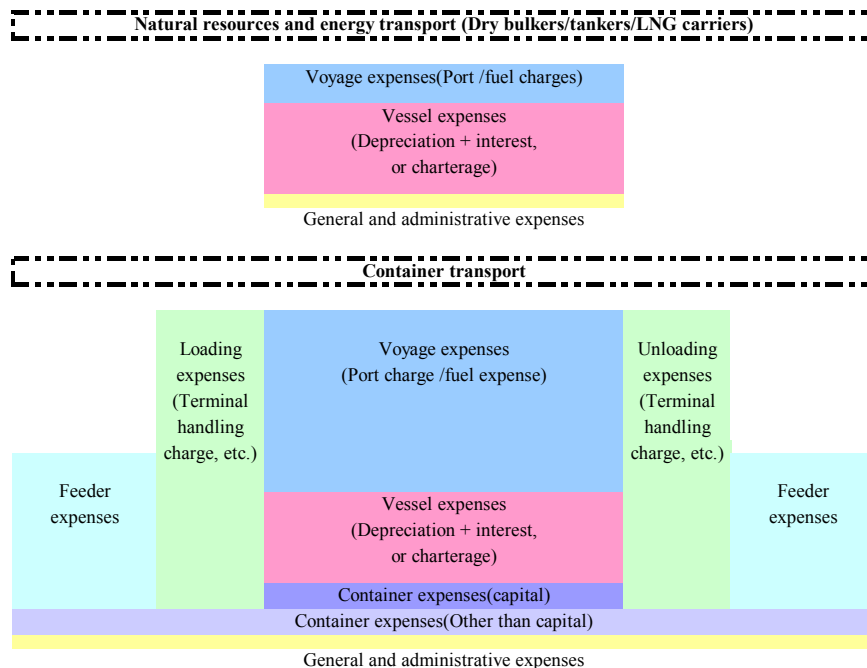
Shanghai-Dampier: 3,100n-miles (Australia) Shanghai-Tubarao: 11,000n-miles (Brazil) Shanghai-Goa: 3,600n-miles (India) [n-mile=1.852km]

China's Import of Soybean by Nations of Origin



Source : USDA/JETRO

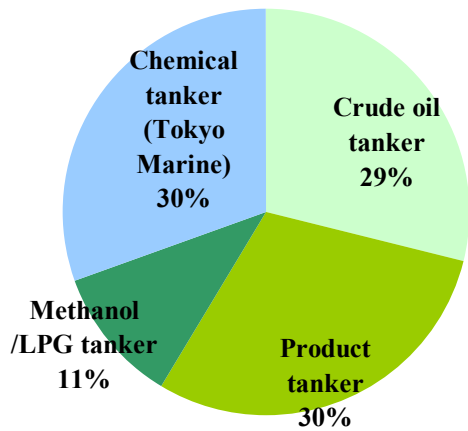
Cost Items and Structure (Comparison between Dry Bulkers and Containerships)



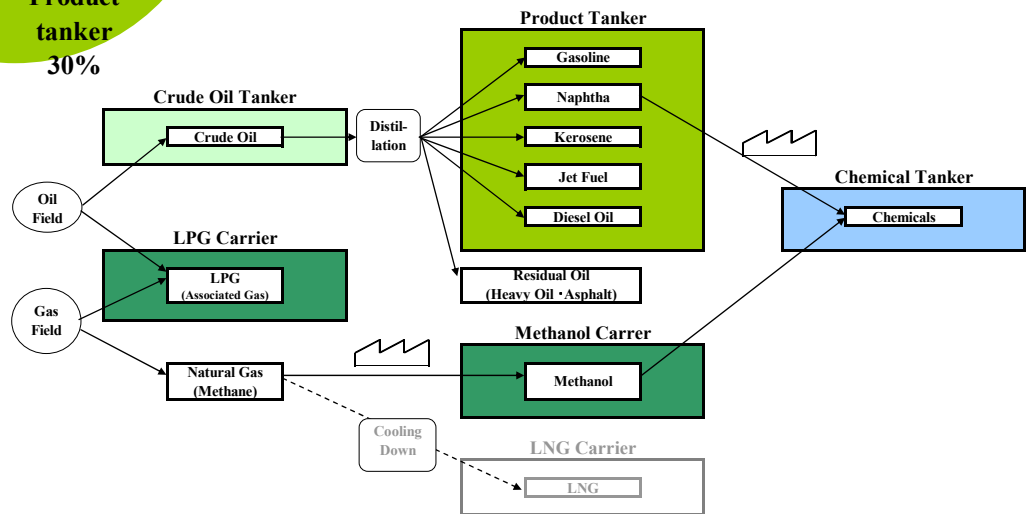
③ Tankers

(1) MOL Data

(a) Revenue Breakdown (FY2007)



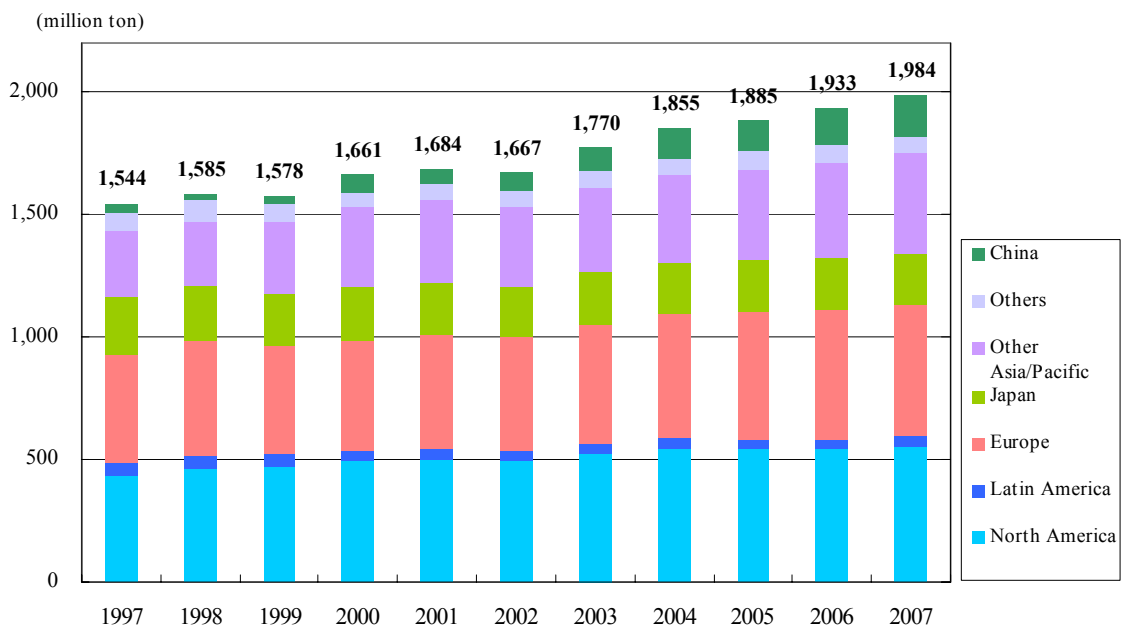
【Reference】



(2) Industry Data

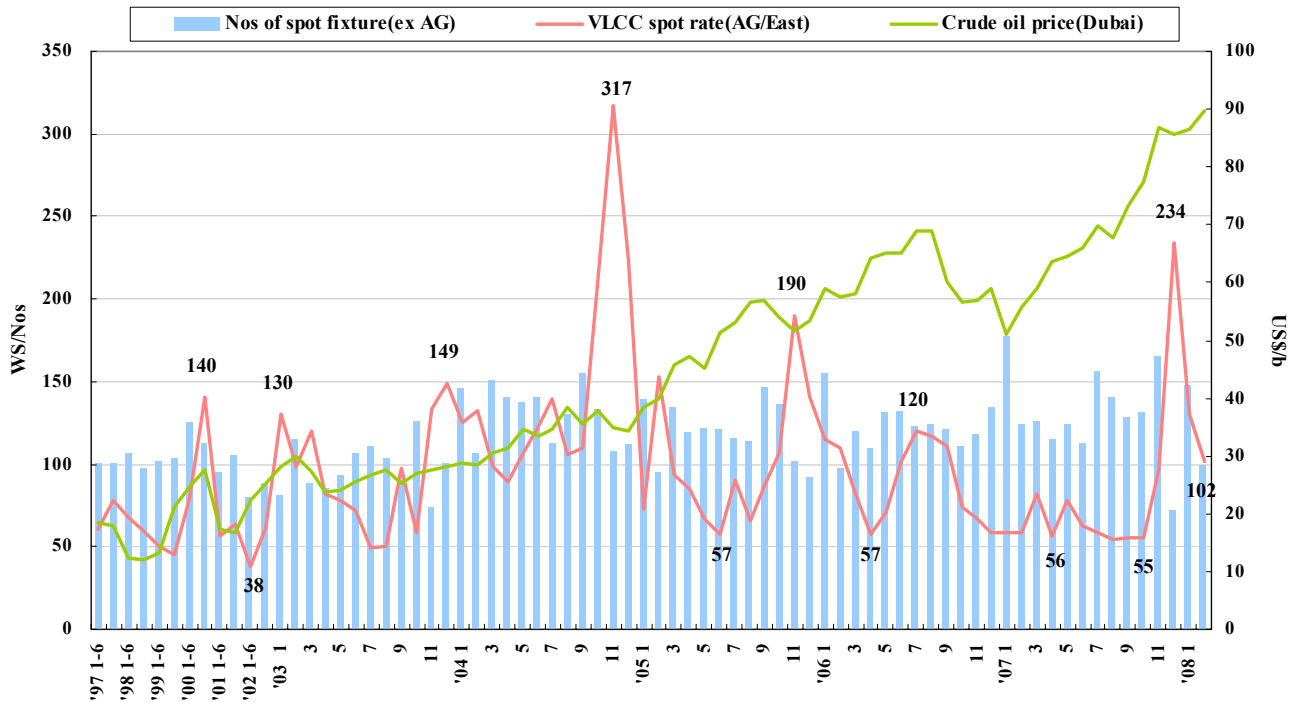
(a) Crude Oil

Import area-wise World Crude Oil Trade

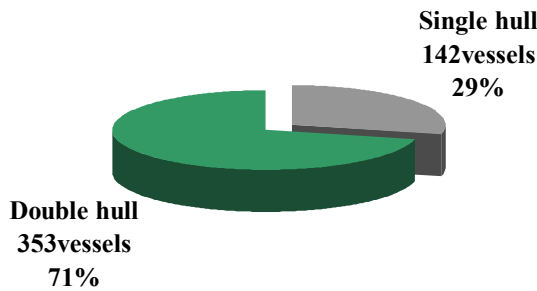


Source: BP Statistical Review of World Energy

(b) VLCC Market



(c) Number of Single Hull and Double Hull VLCCs



Source: MOL internal calculation based on Clarkson "Tanker Register" 2008

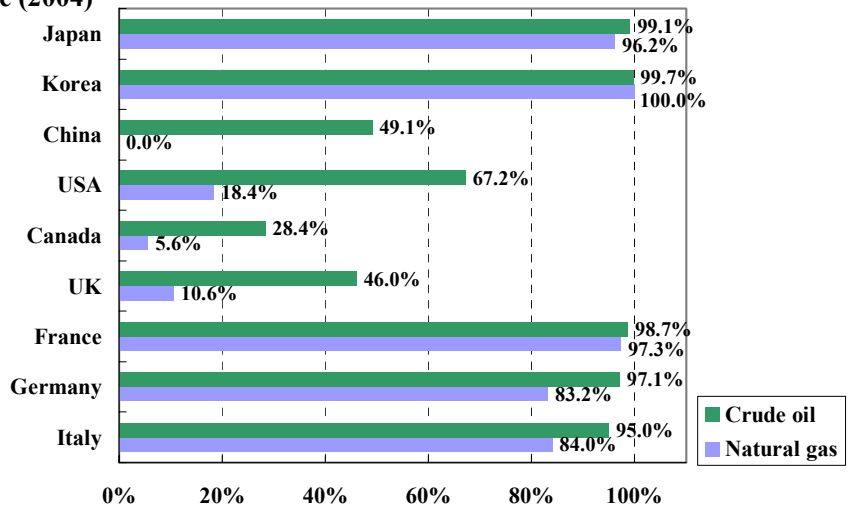
(Ref.) The 50th MEPC resolution regarding the adoption of double-hulled structure, which took effect in April 2005)

1)The time limit for operating single-hulled tankers of more than 5,000 dwt shall be brought forward from 2015 to 2010.

2)However, if a nation where a vessel enters a port allows a service life extension based on the results of a Condition Assessment Scheme (CAS) inspection, it may remain in service until 2015, or until its age reaches 25 years, whichever is earlier.

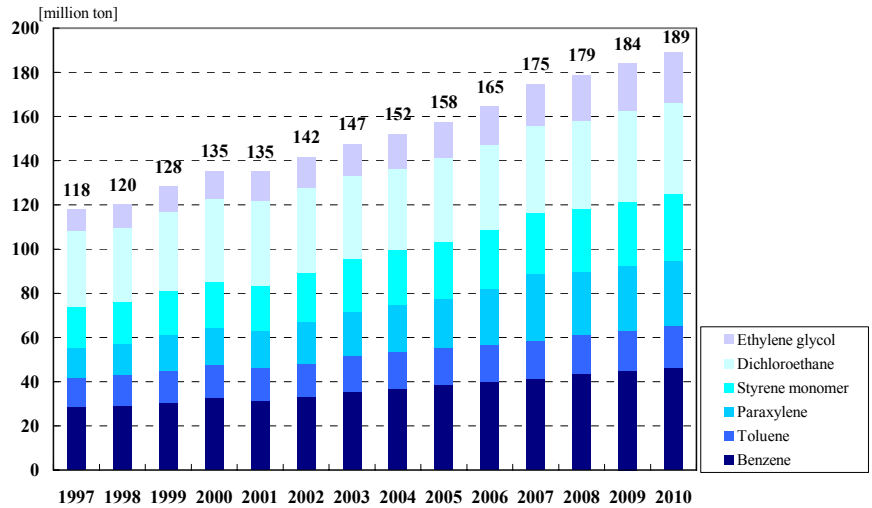
(d) Other Information

Dependence on Import Energy Source (2004)



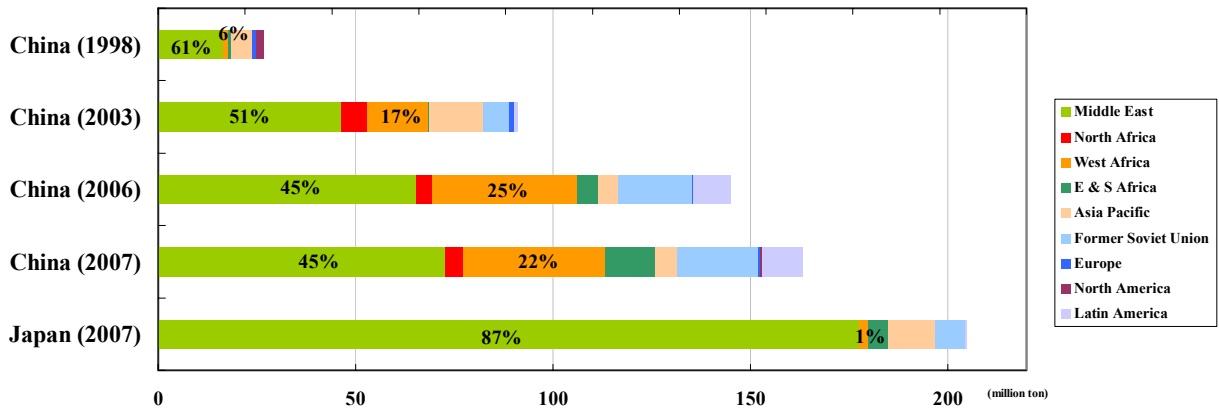
Source: Ministry of Foreign Affairs of Japan

Major Chemical Products Demand Forecast



China's Import of Crude Oil by Nations of Origin

Source: METI "Forecast of Global Supply and Demand of Petrochemical Products, FY 2005"

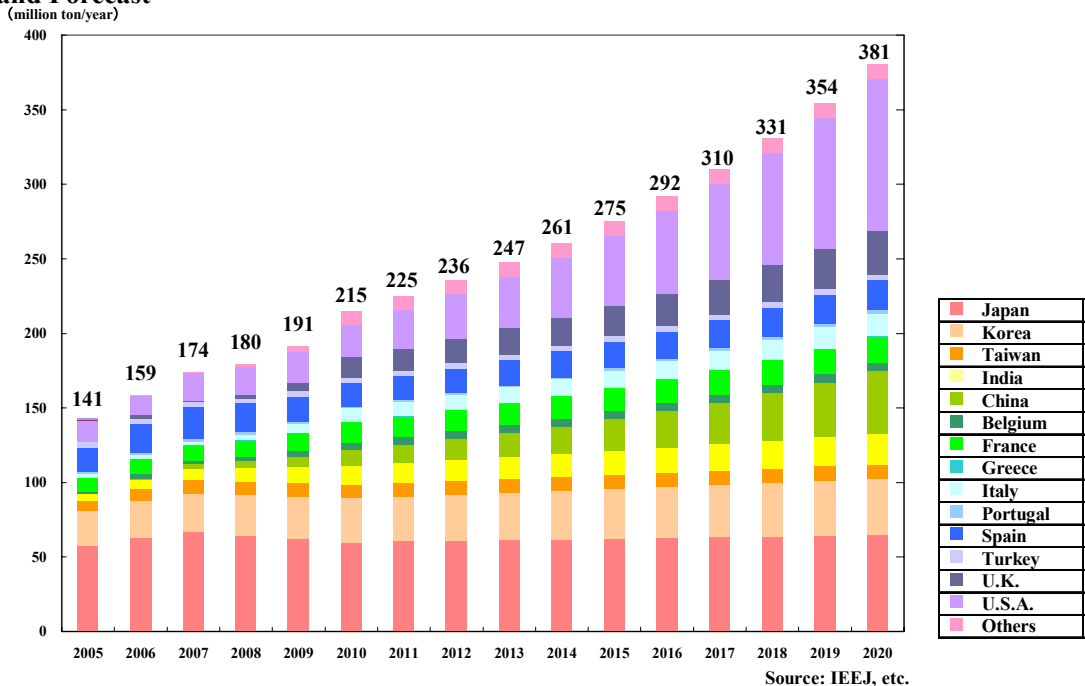


Source: MOL internal calculation based on data of China OGP, Petroleum Association of Japan, Japan Maritime Development Association, etc.

Dalian-Oman: 5,800n-miles (9 voyages/year) (Middle East) **Dalian-Angola: 9,900n-miles (6 voyages/year) (West Africa)** [n-mile=1.852km]

④ LNG Carriers

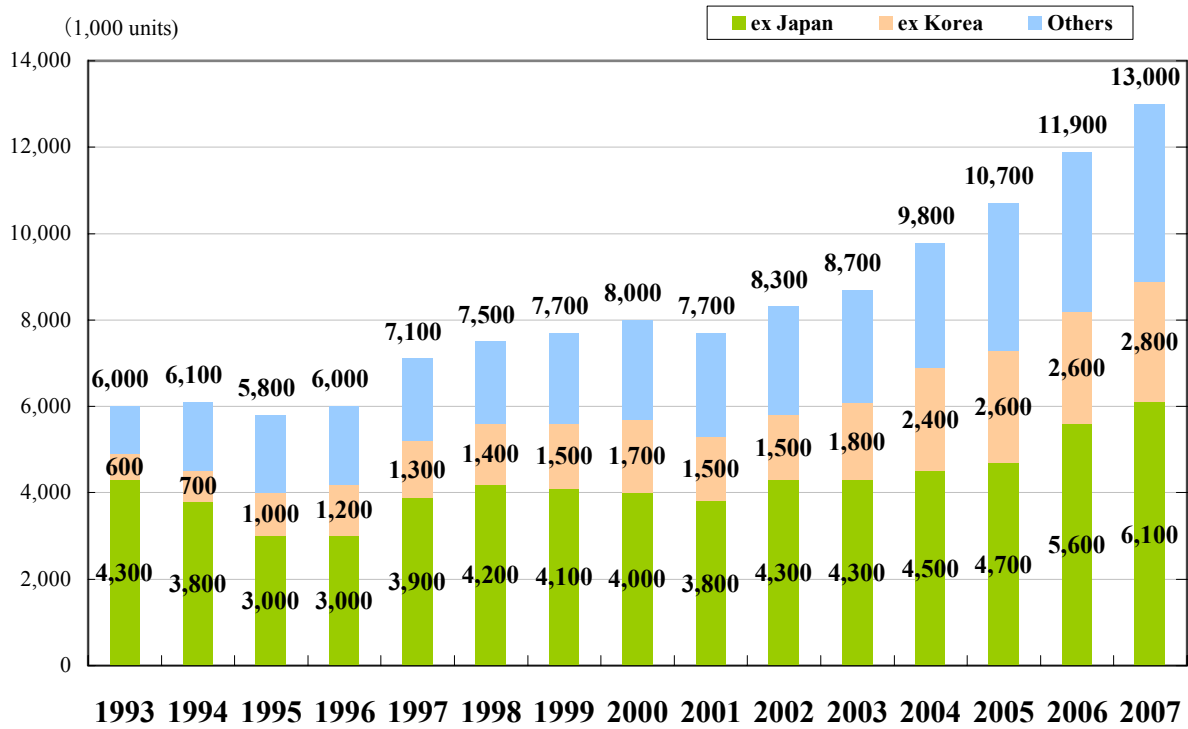
(1) LNG Demand Forecast



Source: IEEJ, etc.

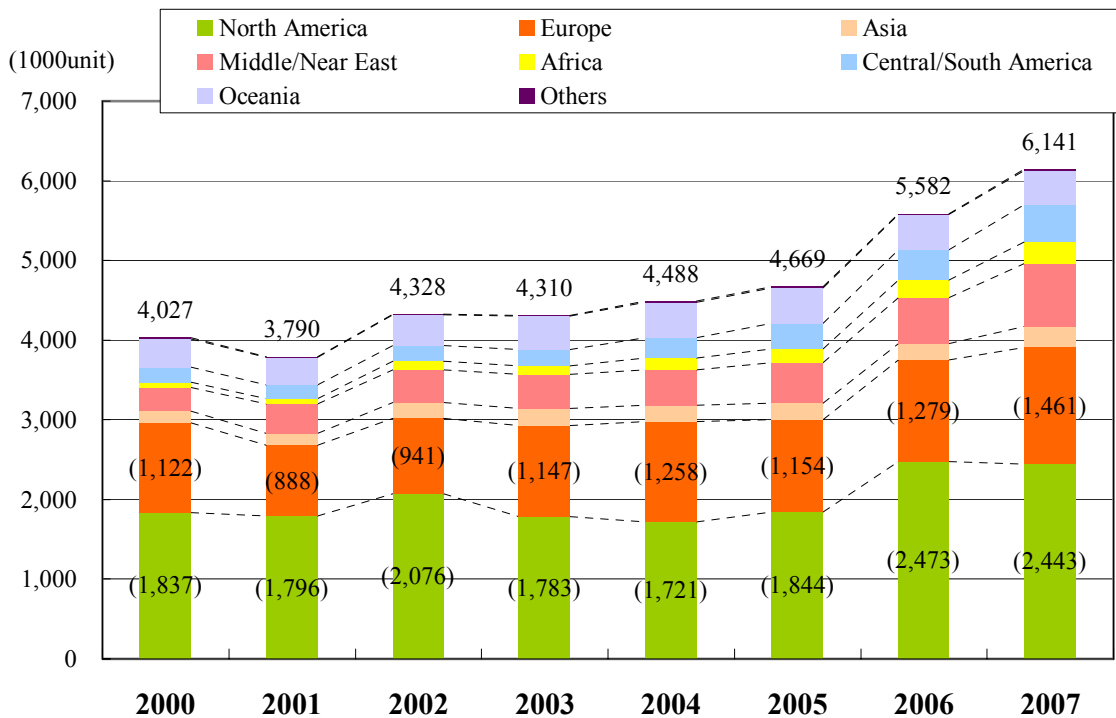
⑤ Car Carriers

(1) World Car Carrier Trade



MOL internal calculation; excluding CKD

(2) Car Export from Japan



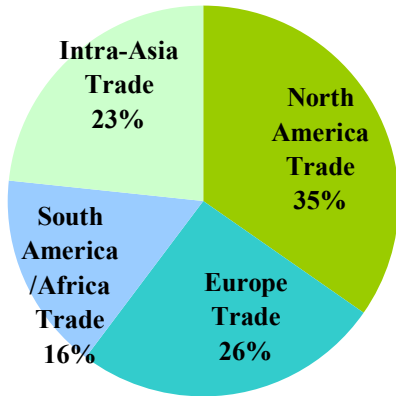
MOL internal calculation; destination-wise/excluding CKD

⑥ Containerships

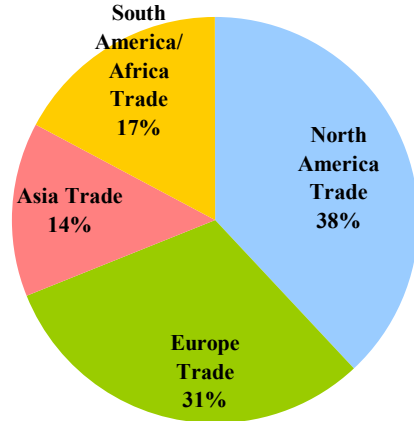
(1) MOL Data

(a) Capacity and Income by Trades (FY2007)

Containerships' Capacity by Trades



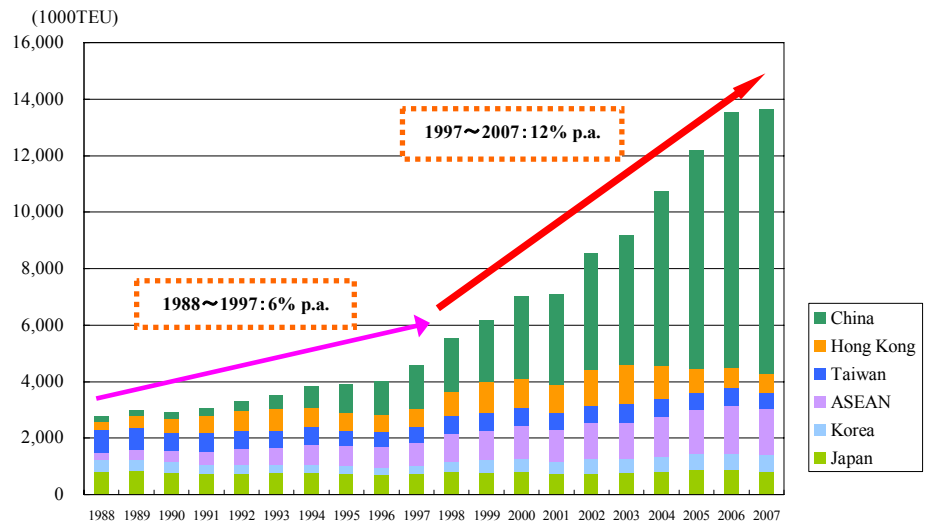
Containerships' Income by Trades



(2) Industry Data

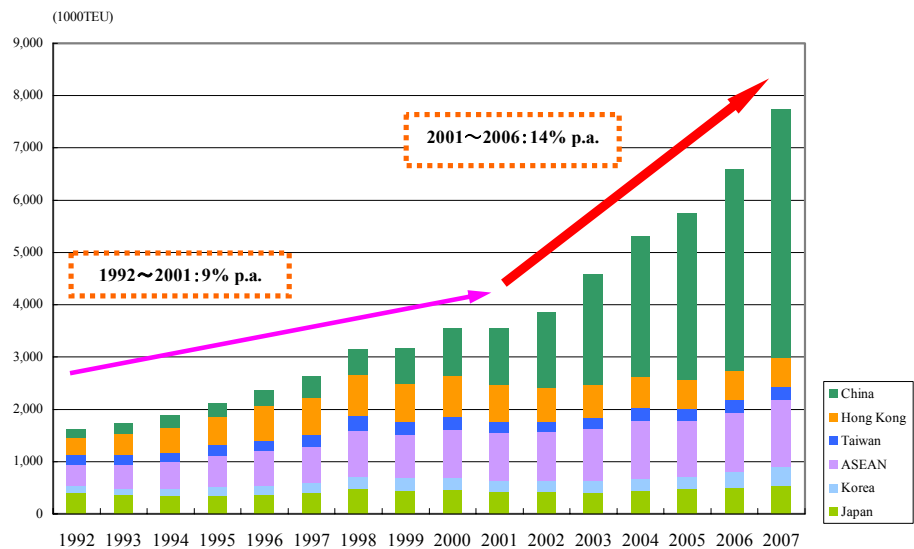
(a) Cargo Movements by Trade

Asia-North America Exporter-wise Cargo Movements



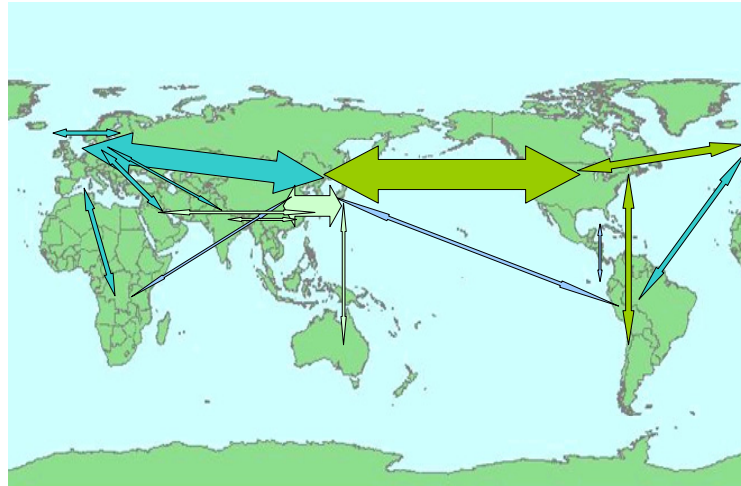
Source: Piers/JoC, etc.

Asia-Europe Exporter-wise Cargo Movements

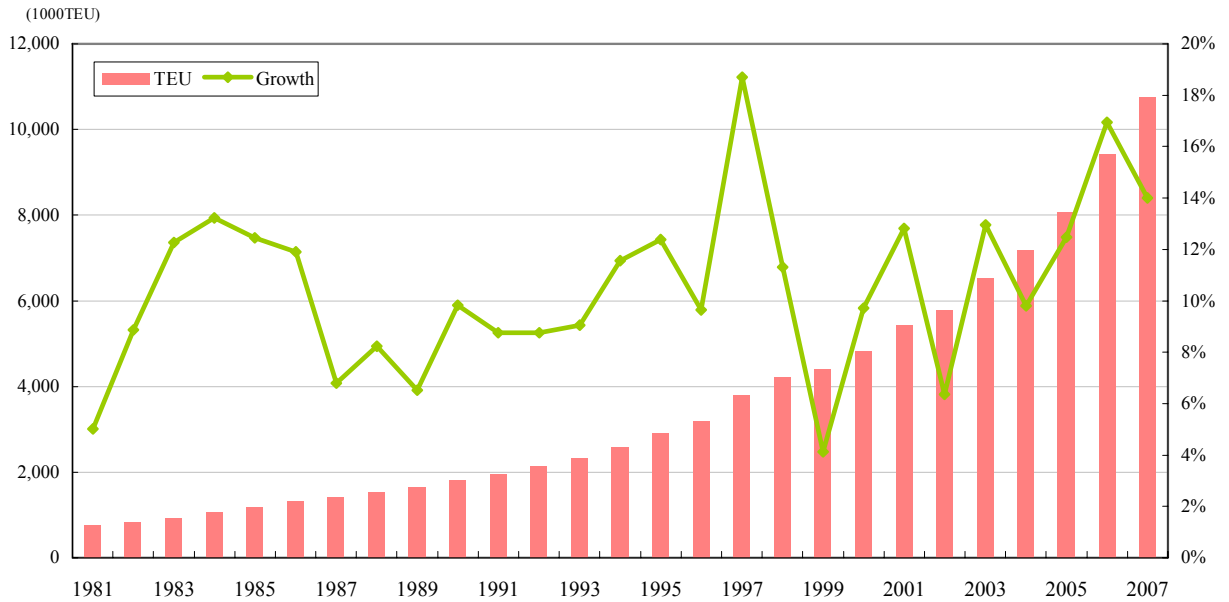


Source: Conference Statistics, etc.

[Reference] World Container Movement



(b) World Total Containership Capacity

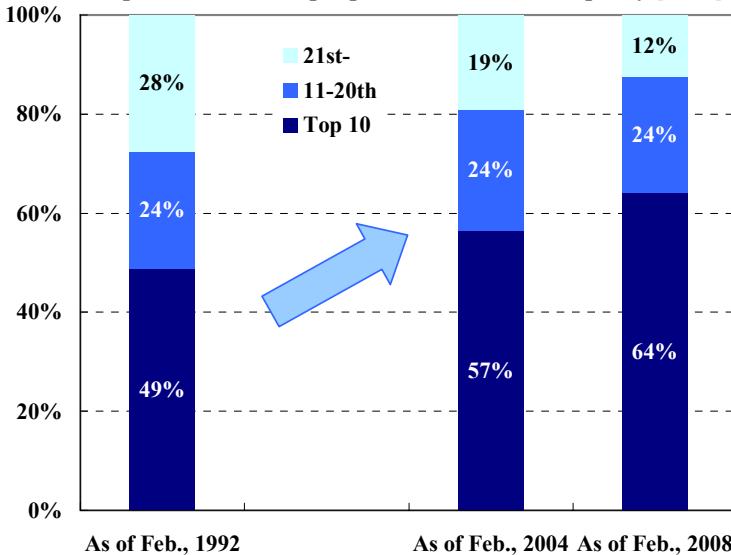


Source: As of March 2008; Clarkson Research Studies' statistics etc.

(c) Other Information

Consolidation

Top 20 Containership Operators' Shares in Capacity [TEU]



M&A in and after 1990s

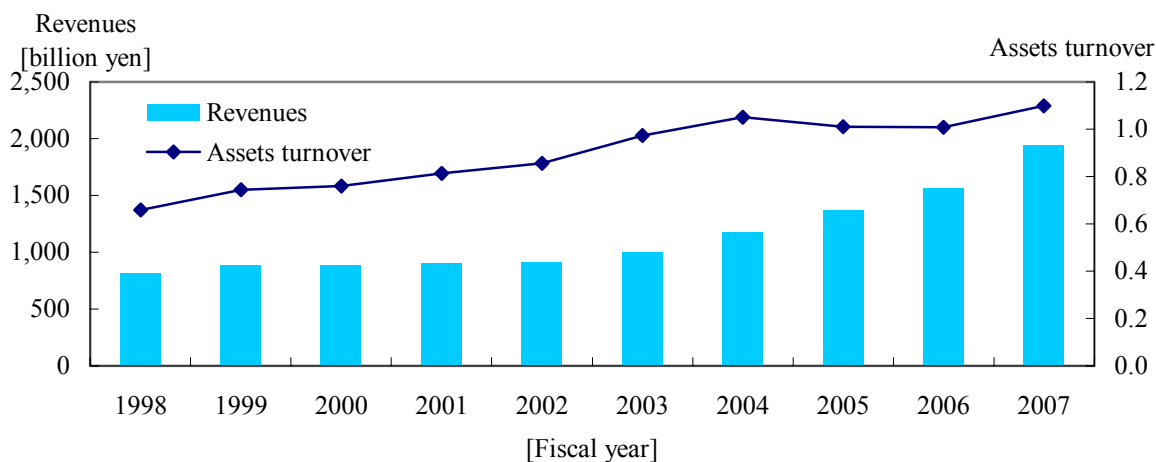
	Names of Companies before M&A		Name of Company after M&A (Parent Company after M&A)
1991	NYK	NLS	NYK
1993	A.P.Moller-Maersk	Canada Maritime	A.P.Moller-Maersk
1994	DSR	Senetor	DSR-Senetor (-> Senetor)
1997	P&O Containers	Nedlloyd	P&O Nedlloyd
	NOL	APL	NOL [APL]
	CP Ships	Lykes, etc.	CP Ships
1998	Evergreen	Llyod Triestino	Evergreen
	CGM	ANL	CGM
	NYK	Showa Line	NYK
1999	A.P.Moller-Maersk	Sealand	A.P.Moller-Maersk
	A.P.Moller-Maersk	Safmarine	A.P.Moller-Maersk
2000	CMA	CGM	CMA-CGM
2005	A.P.Moller-Maersk	P&O Nedlloyd	A.P.Moller-Maersk
	TUI [Hapag-Lloyd]	CP Ships	TUI [Hapag Lloyd, CP Ships]
	CMA-CGM	Delmas	CMA-CGM

Source: MOL internal calculation based on MDS. (Full-containerships only)

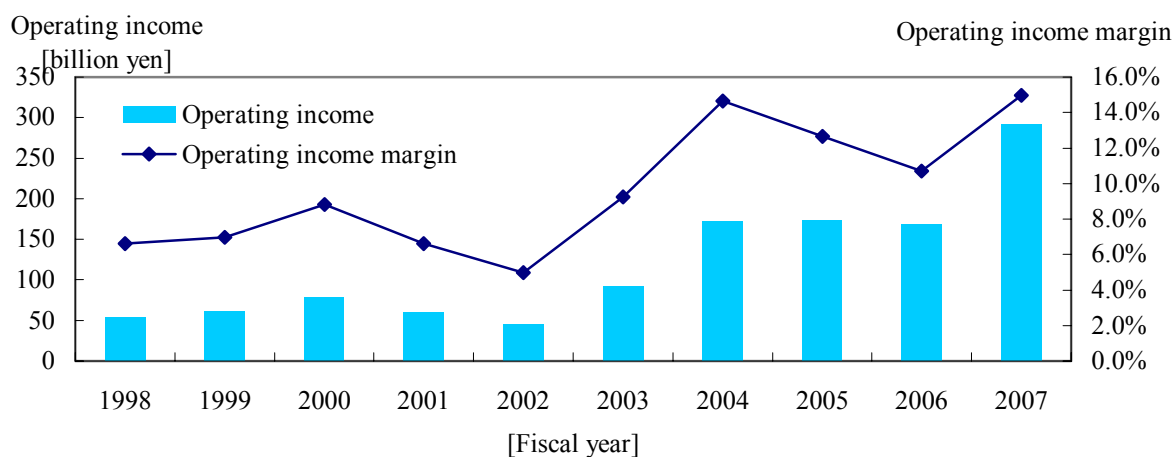
4. Financial Data

① Highlights of Income Statements and Profitability/Efficiency Indices

(1) Revenues and Assets Turnover

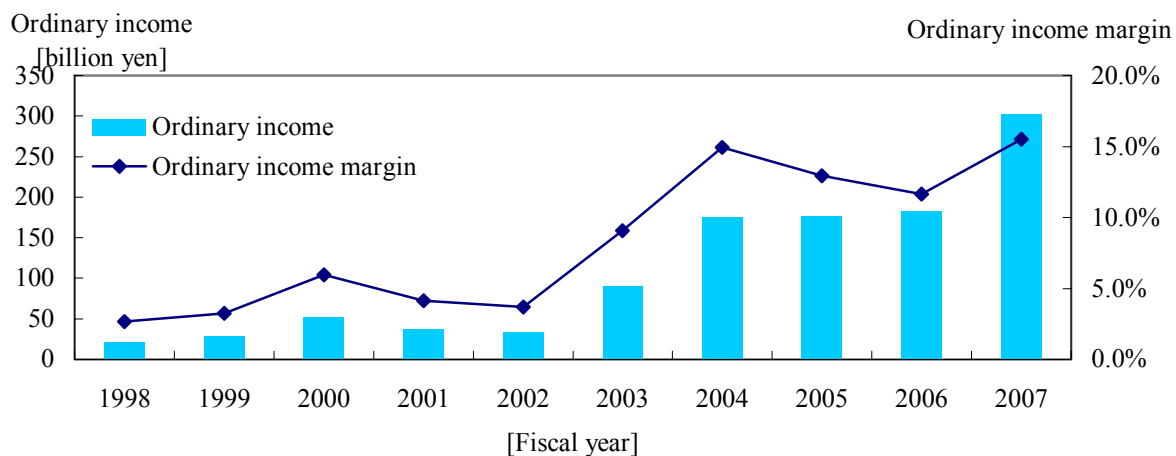


(2) Operating Income and Operating Income Margin*



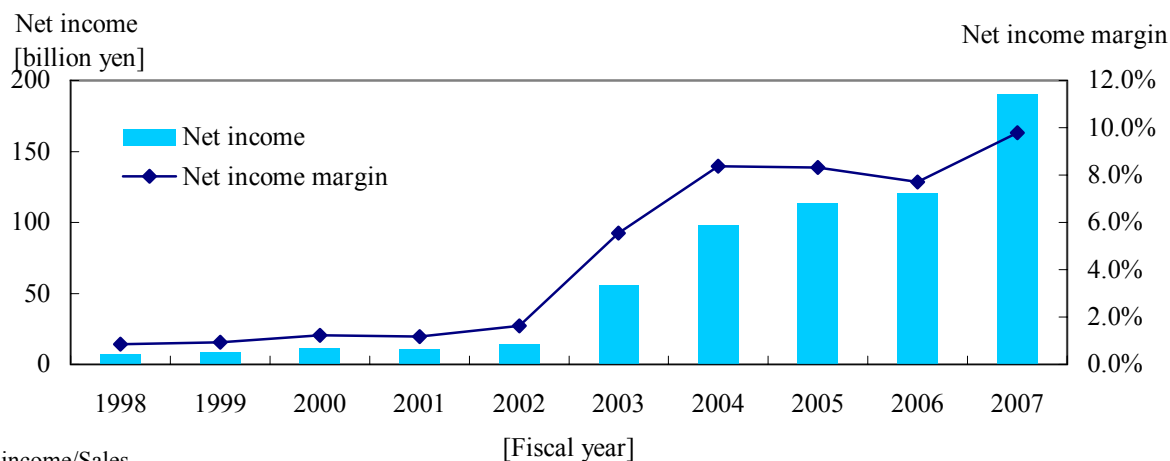
* Operating income/Sales

(3) Ordinary Income and Ordinary Income Margin*



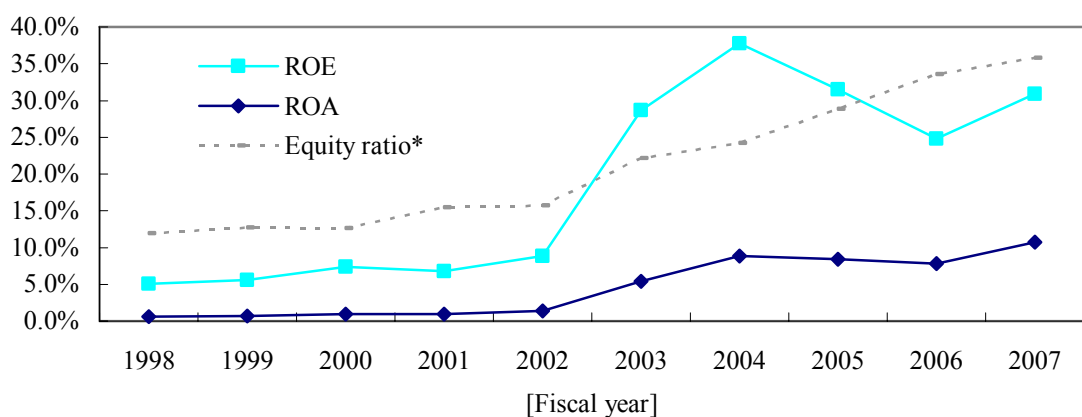
* Ordinary income/Sales

(4) Net Income and Net Income Margin*



*Net income/Sales

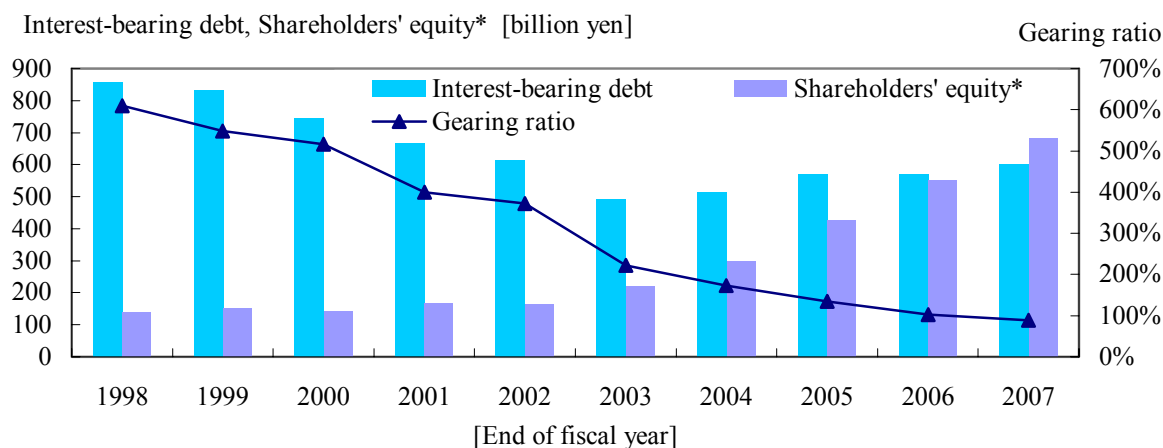
(5) ROE/ROA



* Equity ratio (Shareholders' equity/Total assets)

② Highlights of Balance Sheets and Stability Indices

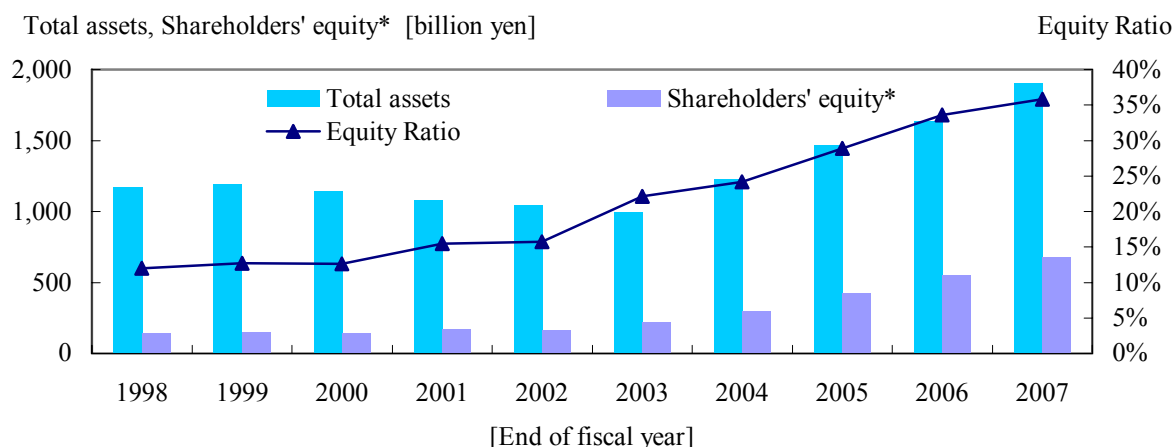
(1) Interest-Bearing Debt, Shareholders' Equity and Gearing Ratio



* To FY2005: Shareholders' equity on the consolidated Balance Sheet

From FY2006: Owners' equity plus accumulated gains from valuation and translation adjustments

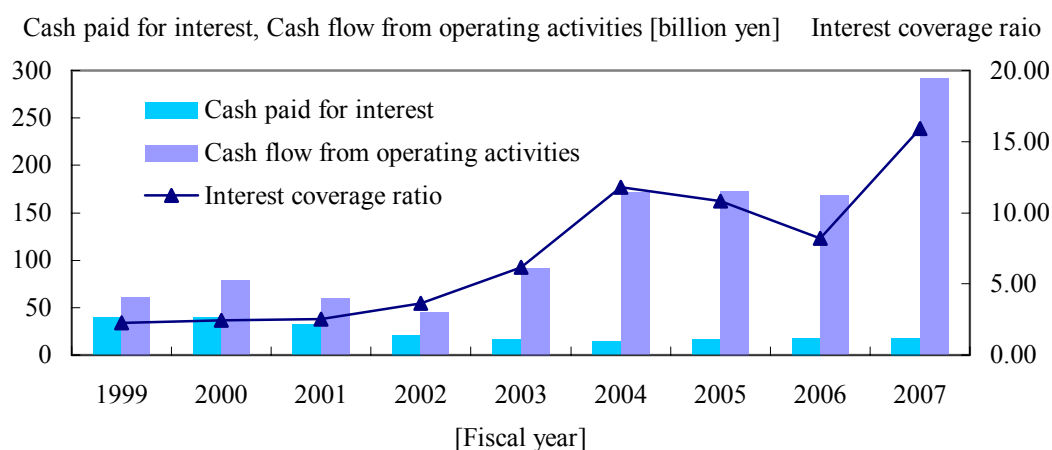
(2) Total Assets, Shareholders' Equity and Equity Ratio



* To FY2005: Shareholders' equity on the consolidated Balance Sheet

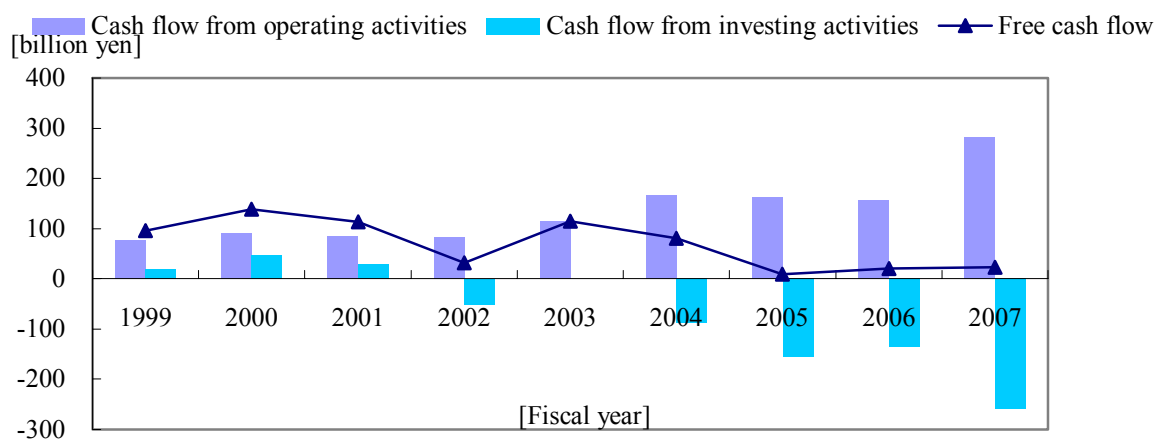
From FY2006: Owners' equity plus accumulated gains from valuation and translation adjustments

(3) Cash Paid for Interest, Cash Flow from Operating Activities and Interest Coverage Ratio



③ Highlights of Statements of Cash Flows

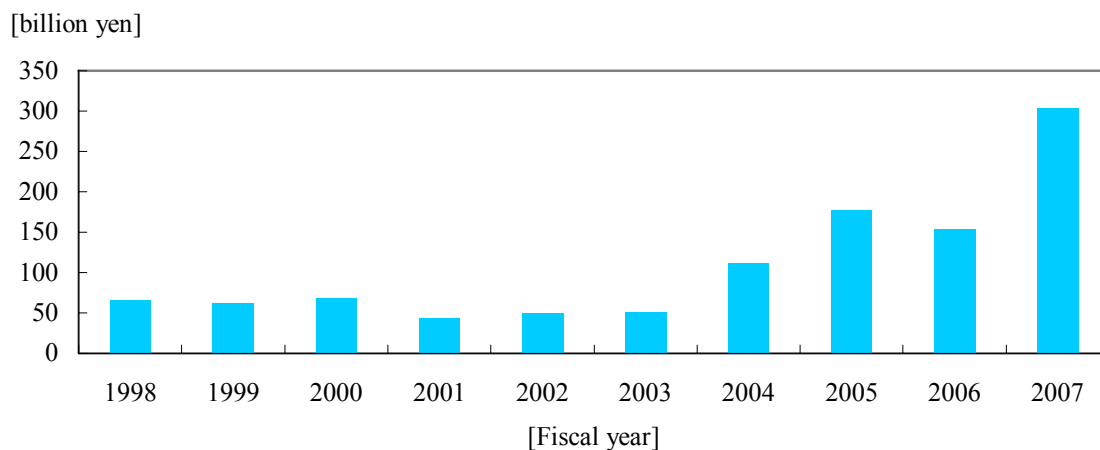
(1) Cash Flow from Operating Activities, Cash Flow from Investing Activities and Free Cash Flow



Free cash flow : Cash flow from operating activities + Cash flow from investing activities

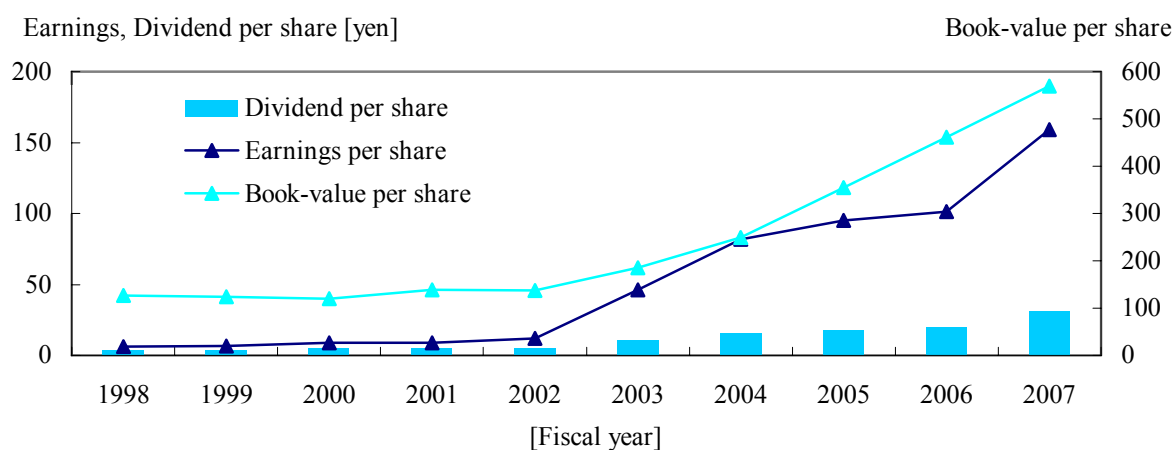
The company started preparing Consolidated Statements of Cash Flows from FY1999.

(2) Capital Expenditure



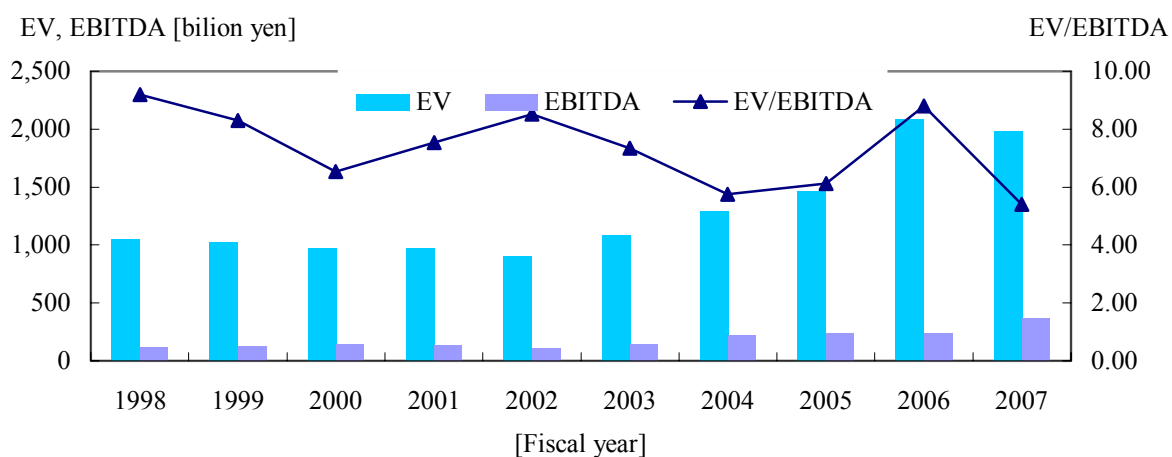
④ Per Share Value Indicators and Share Price Indices

(1) Earnings, Book-value and Dividend Per Share



*Book-value per share = Shareholders' equity per share

(2) EV, EV/EBITDA



[Consolidated Financial Statements]

(million yen)

	99.3.31 FY1998	00.3.31 FY1999	01.3.31 FY2000	02.3.31 FY2001	03.3.31 FY2002	04.3.31 FY2003	05.3.31 FY2004	06.3.31 FY2005	07.3.31 FY2006	08.3.31 FY2007
Shipping and other operating revenues	809,160	881,807	887,866	903,943	910,288	997,260	1,173,332	1,366,725	1,568,435	1,945,696
Shipping and other operating expenses (Depreciation and amortization)	683,041 (60,387)	746,047 (61,862)	732,511 (69,826)	761,507 (68,826)	787,540 (60,710)	824,902 (55,334)	917,148 (52,969)	1,101,459 (65,699)	1,300,038 (68,581)	1,544,109 (74,480)
General and administrative expenses (amortization of consolidation difference)	72,581 (563)	74,439 (582)	77,115 (663)	82,663 (588)	77,391 (446)	80,231 (535)	84,388 (0)	92,272 (0)	100,323 (0)	110,302 (0)
Operating income	53,536	61,320	78,239	59,772	45,356	92,126	171,794	172,992	168,073	291,284
Non-operating income	14,900	15,051	19,218	12,580	11,718	17,540	20,147	27,356	34,806	38,992
Interests and dividends	(4,014)	(4,439)	(3,550)	(3,372)	(2,840)	(2,995)	(2,925)	(4,888)	(7,627)	(8,780)
Profits on sale of securities	(1,669)	(4,481)	(6,309)	(49)	(0)	(0)	(0)	(0)	(0)	(0)
Equity in earnings of affiliated companies	(4,126)	(1,403)	(3,680)	(4,426)	(3,387)	(6,612)	(11,764)	(16,816)	(16,171)	(18,198)
Others	(5,089)	(4,727)	(5,677)	(4,731)	(5,490)	(7,932)	(5,458)	(5,650)	(11,006)	(12,013)
Non-operating expenses	46,956	47,736	44,436	34,971	23,669	19,111	16,963	23,846	20,391	28,058
Interests	(40,070)	(39,085)	(39,465)	(32,104)	(21,103)	(16,930)	(14,562)	(15,845)	(18,275)	(18,065)
Losses on sale of securities	(2,379)	(1,227)	(28)	(25)	(0)	(0)	(0)	(0)	(0)	(0)
Others	(4,506)	(7,422)	(4,942)	(2,840)	(2,566)	(2,180)	(2,401)	(8,000)	(2,115)	(9,993)
Ordinary income	21,480	28,635	53,020	37,381	33,404	90,556	174,979	176,502	182,488	302,219
Special profits	10,665	14,879	27,605	7,178	6,330	12,097	6,492	19,286	20,551	34,148
Special losses	16,808	28,199	59,765	19,709	14,621	12,878	26,415	7,499	5,185	18,164
Income before income tax	15,337	15,314	20,860	24,850	25,114	89,775	155,057	188,289	197,854	318,202
Corporate income tax	8,362	6,427	19,472	6,100	10,871	35,346	52,587	61,200	63,041	115,183
Corporate income tax adjustment	-	(529)	(7,708)	(6,632)	1,434	2,151	1,205	7,570	7,468	5,693
Profit/loss(Δ) on minority interest	34	33	1,846	1,572	967	1,190	3,003	5,787	6,403	7,004
Net income	7,009	8,324	10,943	10,544	14,709	55,390	98,261	113,731	120,940	190,321
EBITDA *1	113,923	123,182	148,065	128,598	106,066	147,460	224,763	238,691	236,654	365,764
EV/EBITDA	9.20	8.30	6.54	7.54	8.53	7.34	5.74	6.13	8.79	5.41
Interest Coverage Ratio	1.4	2.3	2.4	2.5	3.6	6.2	11.8	10.8	8.2	15.9
ROE *2	5.0%	5.6%	7.4%	6.8%	8.9%	28.7%	37.8%	31.5%	24.8%	30.9%
ROA *3	0.6%	0.7%	0.9%	1.0%	1.4%	5.4%	8.8%	8.4%	7.8%	10.8%
Profit margin ratio (ordinary income)	2.7%	3.2%	6.0%	4.1%	3.7%	9.1%	14.9%	12.9%	11.6%	15.5%
Return on assets (ordinary income)	1.8%	2.3%	4.5%	3.4%	3.1%	8.8%	15.7%	13.1%	11.7%	17.1%
Assets turnover	0.7	0.7	0.8	0.8	0.9	1.0	1.1	1.0	1.0	1.1
Total assets	1,174,640	1,196,474	1,140,400	1,079,089	1,046,611	1,000,205	1,232,252	1,470,824	1,639,940	1,900,551
Current assets	230,994	239,858	255,774	251,387	289,644	299,544	299,835	340,355	405,473	506,077
Tangible fixed assets	753,347	756,624	691,306	619,645	569,234	477,620	665,319	769,902	847,660	1,047,824
Others	190,299	199,992	193,320	208,057	187,733	223,041	267,098	360,567	386,807	346,650
Total liabilities	1,027,367	1,036,561	988,685	908,624	874,130	771,503	874,279	978,019	1,018,951	1,148,898
(Interest-bearing debt)	857,121	833,625	744,612	667,719	612,646	491,693	514,131	571,429	569,417	601,174
Current liabilities	337,416	412,717	399,995	375,032	423,837	398,090	429,695	433,022	482,810	528,390
Long-term debt	670,362	598,998	540,158	475,694	395,588	311,019	340,597	399,616	398,533	459,279
Others	19,589	24,846	48,532	57,898	54,705	62,394	103,987	145,381	137,608	161,229
Shareholders' equity *4	140,489	151,992	144,355	166,970	164,789	221,534	298,258	424,460	550,763	680,777
Consolidated surplus at the end of the year	37,899	43,198	43,433	47,817	56,468	101,990	182,143	275,688	375,443	536,096
Gearing Ratio *5	610%	548%	516%	400%	372%	222%	172%	135%	103%	88%
Debt Equity Ratio	7.3	6.8	6.8	5.4	5.3	3.5	2.9	2.3	1.9	1.7
Equity Ratio	12.0%	12.7%	12.7%	15.5%	15.7%	22.1%	24.2%	28.9%	33.6%	35.8%
Free cash flows [(a) + (b)]	-	95,913	138,233	113,864	32,163	114,946	80,230	8,838	20,369	23,291
Cash flows from operating activities (a)	67,396	76,577	91,019	85,015	82,875	114,592	167,896	163,914	156,418	283,359
Cash flows from investing activities (b)	-	19,336	47,214	28,849	△ 50,712	354	△ 87,666	△ 155,076	△ 136,049	△ 260,068
Capital expenditure	65,571	61,979	68,698	43,741	49,493	50,548	111,905	177,226	153,876	303,573
Earning per share	6.33	6.77	9.01	8.76	12.16	46.14	81.99	94.98	101.20	159.14
Shareholders' equity per share	126.81	123.63	119.88	138.78	137.44	185.06	249.53	354.95	460.78	568.96
Dividend per share (non-consolidated)	4	4	5	5	5	11	16	18	20	31
Cash flow per share	60.8	62.3	75.6	70.7	69.2	95.8	140.6	137.1	130.9	236.8
Number of shares issued and outstanding at the end of the year *6	1,107,917,146	1,229,410,445	1,205,410,445	1,203,344,220	1,200,874,262	1,198,917,280	1,195,388,101	1,196,339,510	1,196,031,158	1,196,646,182

*1: EBITDA= "Operating income"+"Depreciation and amortization"

*2: ROE= Net income /Average shareholders' equity of at the beginning and the end of the fiscal year

*3: ROA= Net income /Average total assets of at the beginning and the end of the fiscal year

*4: Up to FY2005: Shareholders' equity on the consolidated Balance Sheet/

From FY2006: Owners' equity plus accumulated gains from valuation and translation adjustments

*5: Gearing Ratio: Interest-bearing debt /Shareholders' equity

*6: Prior to FY2001: "Number of shares issued and outstanding at the end of the year" excluding "Treasury shares"

This table and the first table on the next page are available for download from <http://www.mol.co.jp/ir-e/financial/download.html>

[Consolidated Segment Information] (FY2003-2007)

(million yen)

	'04.3.31 FY2003	'05.3.31 FY2004	'06.3.31 FY2005	'07.3.31 FY2006				'08.3.31 FY2007						
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Revenues														
Bulkships	494,628	596,638	676,322	185,599	189,034	203,080	209,326	787,039	228,554	254,318	271,049	270,876	1,024,797	
Containerships	344,901	399,140	488,232	132,763	144,841	146,677	144,309	568,590	162,475	180,131	175,681	168,541	686,828	
Logistics	53,033	58,019	63,685	13,787	13,690	14,865	13,228	55,570	14,424	15,221	15,903	15,688	61,236	
Ferry/Domestic Shipping	42,122	45,350	46,771	11,950	13,877	11,211	12,810	49,848	12,660	13,146	14,312	12,981	53,099	
Associated Business	54,572	66,616	87,453	24,947	25,264	24,518	24,940	99,669	25,718	27,077	28,631	27,433	108,859	
Others	8,001	7,566	4,259	1,595	2,170	1,874	2,077	7,716	2,051	4,499	2,521	1,804	10,875	
Total	997,260	1,173,332	1,366,725	370,643	388,875	402,225	406,692	1,568,435	445,885	494,390	508,099	497,322	1,945,696	
Elimination	-	-	-	-	-	-	-	-	-	-	-	-	-	
Consolidated	997,260	1,173,332	1,366,725	370,643	388,875	402,225	406,692	1,568,435	445,885	494,390	508,099	497,322	1,945,696	
Operating Income														
Bulkships	66,688	112,469	125,588	29,793	37,275	42,053	44,860	153,981	53,066	66,156	76,813	72,644	268,679	
Containerships	23,434	54,219	34,557	△ 3,103	307	458	△ 615	△ 2,953	△ 322	4,922	772	△ 4,059	1,313	
Logistics	△ 144	838	1,200	290	147	608	381	1,426	252	353	393	134	1,132	
Ferry/Domestic Shipping	533	1,287	307	△ 219	853	△ 22	△ 152	460	△ 106	893	743	△ 316	1,214	
Associated Business	2,694	5,130	11,260	2,860	2,708	3,194	2,898	11,660	3,321	2,799	3,220	3,026	12,366	
Others	2,360	1,535	4,530	1,149	1,562	741	1,934	5,386	1,214	2,794	1,179	2,416	7,603	
Total	95,567	175,479	177,444	30,771	42,854	47,030	49,306	169,961	57,425	77,920	83,120	73,845	292,310	
Elimination	(3,440)	(3,684)	(4,451)	962	(1,627)	335	(1,558)	(1,888)	1,216	(515)	743	(2,469)	(1,025)	
Consolidated	92,126	171,794	172,992	31,734	41,225	47,366	47,748	168,073	58,642	77,405	83,863	71,374	291,284	
Ordinary Income														
Bulkships	61,632	115,078	135,346	31,809	38,878	44,275	48,618	163,580	56,076	69,893	79,085	72,516	277,570	
Containerships	24,808	55,557	37,485	△ 2,030	1,067	1,582	2,531	3,150	801	7,094	1,016	△ 2,029	6,882	
Logistics	△ 196	907	2,050	377	358	822	699	2,256	348	581	643	643	2,215	
Ferry/Domestic Shipping	111	183	△ 102	△ 424	676	4	△ 237	19	△ 295	831	598	△ 637	497	
Associated Business	2,905	4,987	12,519	3,453	3,000	3,566	3,054	13,073	3,760	3,018	3,528	3,506	13,812	
Others	3,417	1,958	2,649	1,007	723	115	1,181	3,026	1,506	2,373	1,841	△ 715	5,005	
Total	92,678	178,673	189,948	34,192	44,704	50,365	55,845	185,106	62,198	83,790	86,712	73,284	305,984	
Elimination	(2,122)	(3,694)	(13,445)	1,189	(1,616)	(157)	(2,034)	(2,618)	2,295	(4,644)	2,067	(3,483)	(3,765)	
Consolidated	90,556	174,979	176,502	35,381	43,087	50,208	53,812	182,488	64,493	79,145	88,780	69,801	302,219	

[Consolidated Segment Information] (FY1998-2003)

(million yen)

	'99.3.31 FY1998	'00.3.31 FY1999	'01.3.31 FY2000	'02.3.31 FY2001	'03.3.31 FY2002	'04.3.31 FY2003
Operating revenues Total	585,514	651,936	683,167	693,854	698,831	791,776
Containerships	277,009	268,048	272,428	278,747	278,043	323,336
Dry bulkers & Car carriers	193,720	237,040	253,335	259,017	266,772	310,085
Tankers & LNG carriers	104,829	135,539	145,582	144,548	141,850	146,881
Others	6,250	7,826	8,341	8,342	9,142	8,512
Other Operation	3,704	3,481	3,479	3,197	3,023	2,960
Elimination	(69,675)	(69,371)	(66,544)	(67,373)	(68,193)	(72,174)
Consolidated	809,160	881,807	887,866	903,943	910,288	997,260
Operating Income						
Overseas shipping	51,170	58,077	74,018	58,673	37,457	83,085
Ferry/domestic shipping	160	441	(61)	(1,001)	648	1,256
Shipping agents & harbor/terminal operation	1,618	1,923	3,321	1,205	2,305	5,352
Cargo forwarding & warehousing	(15)	680	646	(336)	(53)	222
Others	4,572	2,859	2,910	2,614	3,978	2,890
Total	57,507	63,982	80,835	61,154	44,335	92,806
Elimination	(3,970)	(2,661)	(2,596)	(1,381)	1,021	(679)
Consolidated	53,536	61,320	78,239	59,772	45,356	92,126

[Non-Consolidated Segment Information] (FY1998-2003)

(million yen)

	'99.3.31 FY1998	'00.3.31 FY1999	'01.3.31 FY2000	'02.3.31 FY2001	'03.3.31 FY2002	'04.3.31 FY2003
Operating revenues Total	585,514	651,936	683,167	693,854	698,831	791,776
Containerships	277,009	268,048	272,428	278,747	278,043	323,336
Dry bulkers & Car carriers	193,720	237,040	253,335	259,017	266,772	310,085
Tankers & LNG carriers	104,829	135,539	145,582	144,548	141,850	146,881
Others	6,250	7,826	8,341	8,342	9,142	8,512
Other Operation	3,704	3,481	3,479	3,197	3,023	2,960

The MOL Group

Segment	Business	Company name	Location
Bulkships	Dry Bulkers	Mitsui O.S.K. Kinkai, Ltd. Gearbulk Holding Ltd. Daiichi Chuo Kisen Kiasha	Japan Bermuda Japan
	Tankers	Tokyo Marine Co.,Ltd. Asahi Tanker Co.,Ltd. M.S. Tanker Shipping Ltd.	Japan Japan Hong Kong
	LNG Carriers	BGT Ltd.	Liberia
	Car Carriers	Act Maritime Co.,Ltd. Nissan Motor Car Carrier Co.,Ltd.	Japan Japan
Containerships	Harbor operation	International Container Terminal Co.,Ltd. Shosen Koun Co.,Ltd. Utoc Corporation Trans Pacific Container Service Corp.	Japan Japan Japan U.S.A.
	Shipping agent	Mitsui O.S.K. Lines (Japan) Ltd. MOL (America) Inc. MOL (Asia) Ltd. MOL (Europe) B.V. Mitsui O.S.K. Lines (Thailand) Co.,Ltd.	Japan U.S.A. Hong Kong Netherlands Thailand
Logistics		MOL Logistics (Japan) Co.,Ltd. Japan Express Co.,Ltd. (Yokohama) Japan Express Co.,Ltd. (Kobe) International Container Transport Co.,Ltd. MOL Consolidation Service Ltd. MOL Consolidation Service Ltd. (China) MOL Logistics (H.K.) Ltd. MOL Logistics (Netherlands) B.V. MOL Logistics (USA) Inc. Bangpoo Intermodal Systems Co.,Ltd. J. F. Hillebrand Group AG Shanghai Longfei International Logistics Co.,Ltd.	Japan Japan Japan Japan Hong Kong Netherlands U.S.A. Thailand Germany China
Ferry & Domestic Transport	Domestic transport	MOL Naikou, Ltd.	Japan
	Ferry	MOL Ferry Co.,Ltd. The Diamond Ferry Co.,Ltd. Sea-Road Express Co.,Ltd. Meimon Taiyo Ferry Co.,Ltd. Kansai Kisen Co.,Ltd.	Japan Japan Japan Japan Japan
Associated Businesses	Office rental/real estate	Daibiru Corporation Mitsui O.S.K. Kosan Co.,Ltd.	Japan Japan
	Marine consulting	M.O. Marine Consulting, Ltd.	Japan
	Tugboat	Nihon Tug-Boat Co.,Ltd. Kobe Towing Co., Ltd. Green Kaiji Kaisha, Ltd. Green Shipping, Ltd. South China Towing Co.,Ltd.	Japan Japan Japan Hong Kong
	Cruising	Mitsui O.S.K. Passenger Line, Ltd. Nippon Charter Cruise, Ltd.	Japan Japan
	Trading	Mitsui O.S.K. Techno-Trade, Ltd.	Japan
	Travel agent	M.O. Tourist Co.,Ltd.	Japan
	Construction	Kusakabe Marine Engineering Co.,Ltd.	Japan
	Temporary staffing	Mitsui O.S.K. Career Support, Ltd.	Japan
	Equipments sales/repair	MO Engineering Co.,Ltd.	Japan
	Container sales	Sanwa Marine Ltd.	Japan
Others	Chartering	International Marine Transport Co.,Ltd.	Japan
	Ship management	MOL Ship Management Co.,Ltd. MOL Tankship Management Ltd.	Japan Japan
	Finance	Mitsui O.S.K. Finance Plc. Euromol B.V.	U.K. Netherlands

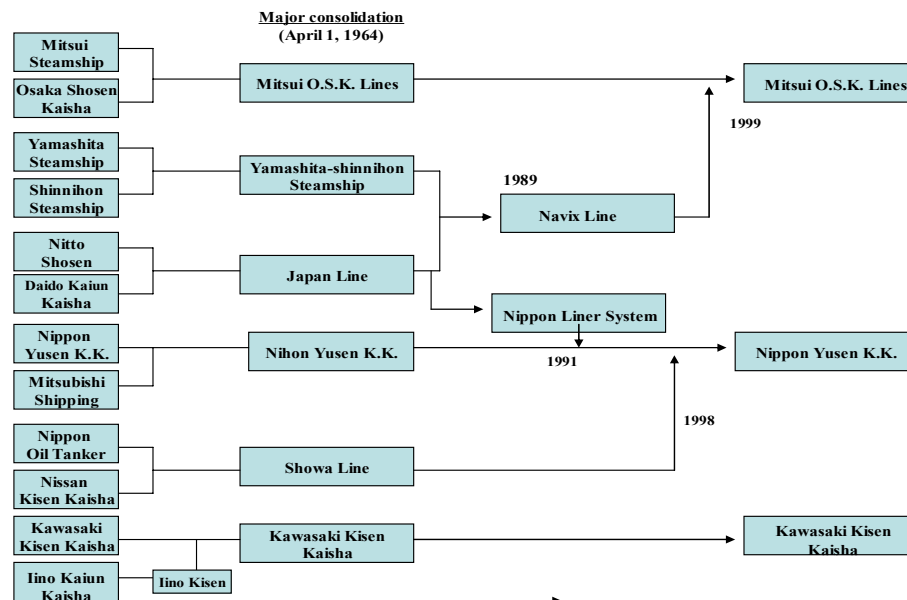
Blue=Affiliated companies accounted for by the equity method

History

1884	Osaka Shosen Kaisha (O.S.K. Line) is founded.
1930	The 10,142 dwt Kinai Maru begins express service between Yokohama and New York, covering the route in 25 days, 17 and a half hours, well below the industry average of 35 days.
1939	The Argentina Maru and Brazil Maru are launched. These liners, which carry both cargo and passengers between Japan and South America, draw worldwide attention.
1942	Mitsui & Co., Ltd. spins off its Shipping Department to create Mitsui Steamship Co., Ltd.
1961	The Kinkasan Maru, the first freighter with fully automated centralized bridge operations, is launched.
1964	Japan's shipping industry undergoes a major consolidation, creating Mitsui O.S.K. Lines, Ltd. (MOL), Japan Line, Ltd. (JL), and Yamashita-Shinnihon Steamship Co., Ltd. (YSL) through mergers.
1965	Japan's first specialized car carrier, the Oppama Maru, is launched, allowing more efficient transport of Japan's burgeoning automobile exports.
1968	Containerships operated by all three major Japanese shipping companies start services on the Japan-California route -- MOL's America Maru, JL's Japan Ace, and YSL's Kashuu Maru.
1982	MOL enters methanol transport business.
1983	The liquefied natural gas (LNG) carrier, the Senshu Maru, is launched, and MOL enters LNG transport business.
1984	MOL expands into product tanker business.
1985	The container terminal company TraPac, Inc. is founded in Los Angeles. Double-stack train (DST) operations begin from Los Angeles.
1989	The launch of the 23,340-gt Fuji Maru, Japan's largest, most luxurious cruise ship, heralds the age of the leisure cruise in Japan. (A second luxury cruise ship, the Nippon Maru is launched in 1990.) MOL acquires a share in LNG carrier operator BGT. (BGT becomes an MOL consolidated subsidiary in 1998.) Navix Line is established by the merger of JL and YSL.
1990	MOL acquires a share in forwarder J.F. Hillebrand of Germany. MOL takes over the logistics company Wassing BV of the Netherlands.
1991	MOL acquires a share in Gearbulk, a Norwegian open-hatch bulker operator.
1993	Institute of Shipping crew training school is established in Manila.
1994	A series of the mid-term management plans calling for "creative redesigning" begin.
1995	The Global Alliance (TGA) launches service on the European and North America eastbound routes. MOL's first double-hulled VLCC, the Atlantic Liberty is launched.
1996	MOL acquires a share in chemical tanker operator Tokyo Marine Co., Ltd., and makes it a consolidated subsidiary.
1998	The New World Alliance (TNWA) service starts.
1999	New Mitsui O.S.K. Lines is established by the merger of MOL and Navix Line. The resource and energy transport fleet is 1.5 times the scale of the MOL's pre-merger total. MOL (Japan) Ltd. is established. The five-pole global structure is adopted for the containership business. (now three-pole)
2000	Corporate governance system is reformed. (MOL introduces executive officer system and invites outside directors.) MOL Environmental Policy Statement is established.
2001	MOL Group Corporate Principles is issued.
2004	The previous mid-term management plan MOL STEP, with the main theme of "growth" starts. MOL makes Daibiru Corporation a consolidated subsidiary.
2005	MOL forms a strategic tie-up with Kintetsu World Express, Inc.
2006	MOL makes Uto Corporation a consolidated subsidiary. MOL Formulates Measures to Reinforce Safe Operation Structure with the Slogan "Returning to Basics", addressing four marine incidents with utmost seriousness
2007	The current mid-term management plan MOL ADVANCE, with the main theme of "growth with enhanced quality" MOL launches world's largest iron ore carrier. Third-generation "BRASIL MARU" joins fleet.

■ Expansion into new transport businesses /delivery of innovative ships, ■ M&A, ■ Alliances, □ Management reforms /others

<For Reference>



Corporate Governance

Reference : <http://www.mol.co.jp/governance-e.shtml>

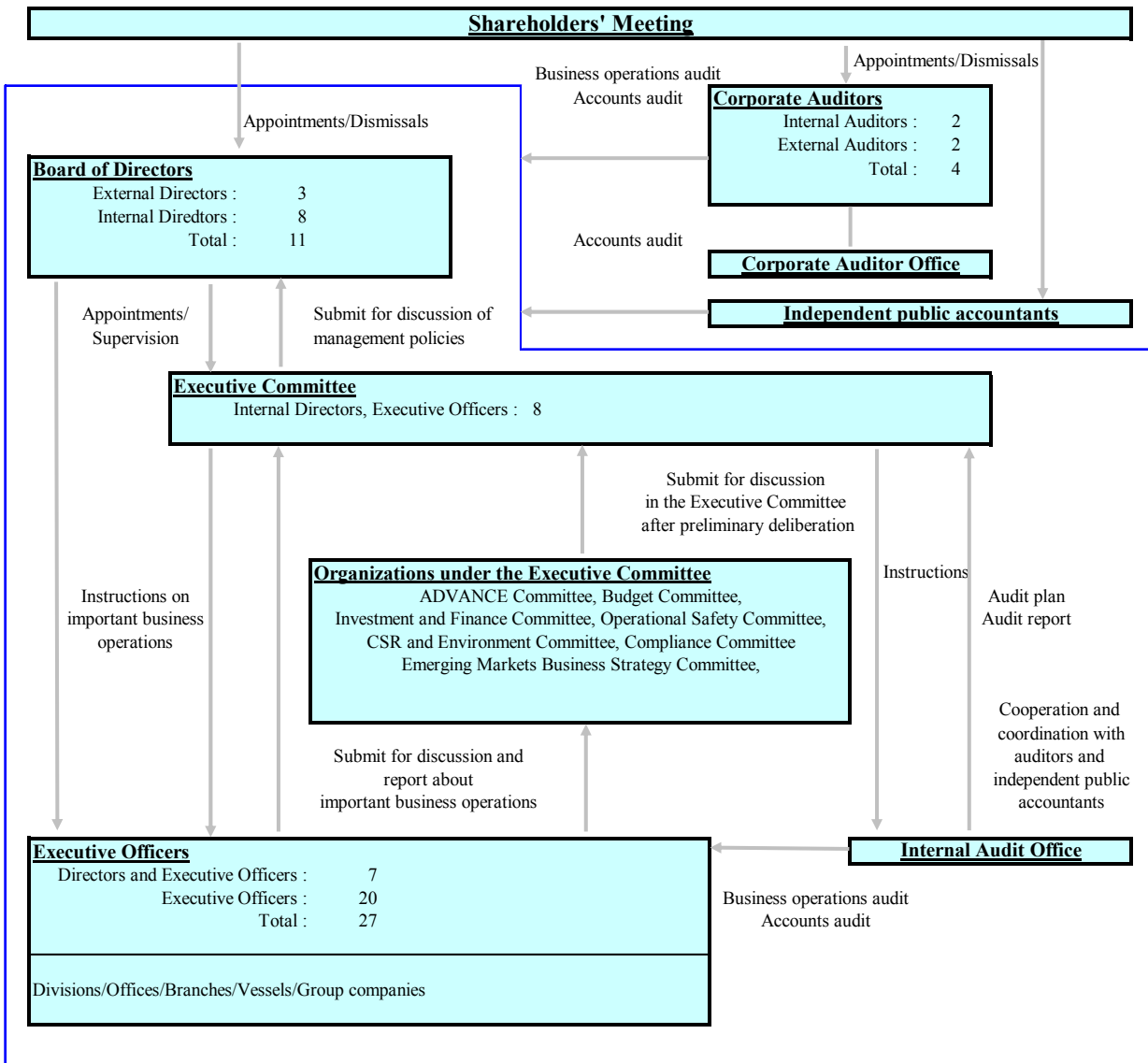
The MOL Group established the MOL Group Corporate Principles in March 2001. One of the pledges in our Corporate Principles states, "We will strive to maximize corporate value by always being creative, continually pursuing higher operating efficiency and promoting an open and visible management style that is guided by the highest ethical and social standards."

In order to realize the ideals set forth in the principles, MOL reformed its corporate governance structure, instituting management reforms that brought external directors to the board, separated management and executive functions, and that set standards for accountability, risk management and compliance. These reforms were implemented as shown in the table.

Responding to the revised Company Law (effective May 1, 2006), the company resolved the basic policies for building up its internal control system at the Board of Directors' meeting. We also established the Internal Control Planning Office in the Corporate Planning Division to develop and maintain an internal control system to ensure the appropriateness of financial reports based on the Financial Instruments and Exchange Law.

1997	Outside auditors increased from one to two out of a total of four auditors
1998	George Hayashi (former APL chairman) invited to join the Board of Directors. (Became Director and Vice President in 1999, following revision of the Shipping Act)
2000	Management organization reform 1. Introduced a system of executive officers 2. Abolished the Managing Directors Committee and established an Executive Committee (reduced the membership from 21 to 10) 3. Reformed the Board of Directors (redefined its duties as the highest-ranking decision-making body and the supervision of business activities) and reduced membership from 28 to 12) 4. Elected two external directors 5. Established the Corporate Visionary Meeting Established the IR Office Started holding the Annual General Shareholders meeting on a day relatively free of other shareholders meetings
2001	Established the MOL Group Corporate Principles Added one more external director, increasing the number of external directors to three Established Compliance Policy and a Compliance Committee
2002	Second stage of management reforms 1. The Board of Directors was reorganized to carry out three important functions: (1) deliberation on issues requiring approval by the directors; (2) receipt of reports on business operations; and (3) deliberation on corporate strategy and vision 2. Review and consolidation of issues submitted to the Board of Directors 3. Expanded jurisdiction of the Executive Committee regarding execution of business activities

Organization of MOL Corporate Governance (As of June 24, 2008)



Compliance

Reference: <http://www.mol.co.jp/compliance-e.shtml>

Mitsui O.S.K. Lines, Ltd. (MOL) has established codes of conduct that MOL directors and employees must conform to, in consideration of various stakeholders' viewpoints. By ensuring compliance with the codes of conduct, MOL will continuously increase corporate value, create an improved working environment, and win the sympathy of various stakeholders surrounding the company.

[Code of Conduct]

All company personnel must act within the following Code of Conduct when carrying out their work duties. Company personnel shall, at all times:

1. Observe the laws of Japan and all other nations
2. Respect human rights and prohibit discrimination and harassment
3. Observe confidentiality of information and respect intellectual property rights
4. Draw a clear line between official and personal conduct, and avoid conflicts of interest
5. Avoid antisocial activities
6. Fulfill social responsibility
7. Ensure safe operation and environmental protection
8. Build trusting relationships with clients and contractors
9. Demand the same of affiliates, subsidiaries, and entrusted companies which dispatch employees.
10. Report any breach of compliance to the Compliance Officer, Compliance Committee Secretariat, or Compliance Advisory Service Desk, who shall guarantee the reporter that he or she shall not be treated unfavorably.

Safe Operation / Environment / CSR (Corporate Social Responsibility)

Reference: <http://www.mol.co.jp/csr-e/index.shtml>

Mitsui O.S.K. Lines Group Environmental Policy Statement

As one of the world's leading multi-modal transport groups, Mitsui O.S.K. Lines group is committed to protecting the health of our marine/global environment and therefore promotes and supports policies that:

1. Protect all aspects of the marine/global environment and foster safe navigation;
2. Comply with all environmental legislation and regulations that we are required to by law, and all relevant standards and other requirements that we subscribe to. And, whenever possible, further reduce the burden on the environment by setting and achieving even tougher voluntary standards;
3. Periodically review and revise our environmental protection measures on the basis of our framework for setting and reviewing environmental objectives and targets;
4. Conserve energy and materials through recycling and waste reduction programs;
5. Purchase and use environmentally safe goods and materials
6. Promote the development and use of environmentally safe technology
7. Educate and encourage group employees to increase their focus on protection of the environment through enhanced publicity efforts, and communicate our Environmental Policy to group employees;
8. Publish our Environmental Policy Statement and disclose our environmental information on a regular basis;
9. Always strive to ensure that our business activities contribute to and adequately support worthy environmental protection activities.

MOL Participates in UN Global Compact



The Principles of the Global Compact

Human Rights	Principle 1:	The support and respect of the protection of international human rights;
	Principle 2:	The Refusal to participate or condone human rights abuses.
Labor	Principle 3:	The support freedom of association and the recognition of the right to collective bargaining;
	Principle 4:	The abolition of compulsory labor;
	Principle 5:	The abolition of child labor;
	Principle 6:	The elimination of discrimination in employment and occupation.
Environment	Principle 7:	The implementation of a precautionary and effective program to environmental issues;
	Principle 8:	Initiatives that demonstrate environmental responsibility;
	Principle 9:	The promotion of the diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10:	The promotion and adoption of initiatives to counter all forms of corruption, including extortion and bribery.

Evaluation by the Third Parties on Environment/CSR

- March 2003 : Certified under ISO 14001, an international standard for environmental management.
Scope: All divisions at the head office and MOL operated vessels
Service range: Site activities and head office activities associated with multi-modal logistics/ocean services.
- September 2003 : Listed on the Dow Jones Sustainability Indexes (DJSI), in recognition of our long-term approach to environmental protection, societal contributions, and investor relations (IR) activities as a corporation positioned for sustainable growth. (Listed for the 5th year in September 2007.)
- September 2003 : Listed on the FTSE 4 Good Global Index, which is published by FTSE, a global index company that is a joint venture between the Financial Times and the London Stock Exchange. (Listed for the 5th year in September 2007.)
- August 2004 : Included in corporate governance fund created by the Pension Fund Association.



Certificate of ISO 14001, an international standard for environmental management (certified by DNV=DET NORSKE VERITAS)



FTSE4Good

Credit Ratings (as of May 2008)

Issued Bonds

	Date of issue	Years	Interest Rate	Total amount of	Outstanding
Euro yen convertible bonds(*)	Mar/13/2006	5 years	Zero coupon	50 billion yen	49 billion yen
Euro yen straight bonds	Jul/1/2003	5 years	6 months Libor + 0.25%	1 billion yen	1 billion yen
Euro yen straight bonds	Sep/21/2006	5 years	1.48%	1 billion yen	1 billion yen
Euro yen straight bonds	Sep/25/2006	5 years	1.46%	2 billion yen	2 billion yen

Besides above, 1 tranche of Straight Bonds remains outstanding (outstanding amount 9.7 billion yen, due 2009). The company has entered into trust and debt assumption agreements in March 2005 for these bonds, and thereafter, in accordance with Japanese GAAP, these bonds are no longer considered on the company's Balance Sheet.

Main features of this defeasance scheme are as follows:

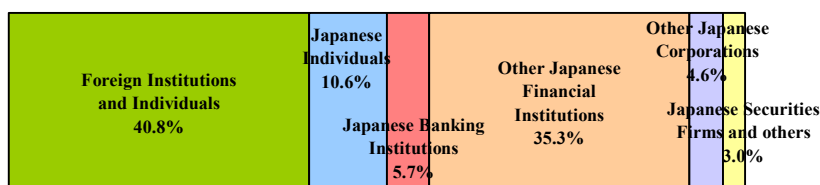
- The bonds-debt has been secured by JGB.
- Trustee: The Sumitomo Trust and Banking Co., Ltd.
- Beneficiary and the Debt-Undertaker: Sumitomo Mitsui Banking Corp.

(*) Conversion Price 1,108yen. Dilution effect on the current number of issued Shares upon conversion in full is 3.64%. The Company may, on or after 29th March 2009, redeem all of the outstanding Bonds at 100% of their principal amount, provided that the closing price of the Shares for each of the 30 consecutive trading days during a certain advance period is at least 130% of the Conversion Price (1,440yen).

Rating List

	Type of rating	Type of debt	Rating (outlook, etc.)
JCR	Long-term senior debt (issuer) rating		AA- (Stable)
	Long-term debt rating	Bonds No. 9	AA-
R&I	Issuer rating		AA- (Stable)
	Long-term debt rating	Bonds No. 9	AA-
	Short-term debt rating	Commercial Paper	a-1+
Moody's	Issuer rating		A3 (stable)
	Long-term debt rating	Bonds No. 9	A1
Standard & Poors	Issuer rating		BBB+ (stable)

Shareholder Composition (as of March 2008)



Share Prices



Shareholder Information

(As of March 31, 2008)

Capital:	64,915,351,028 yen
Head office:	1-1, Toranomon 2-chome, Minato-ku, Tokyo 105-8688, Japan
Number of MOL employees:	892
Number of MOL Group employees:	9,626
(The parent company and consolidated subsidiaries)	
Total number of shares authorized:	3,154,000,000
Number of shares issued:	1,206,195,642
Number of shareholders:	102,316
Shares listed in:	Tokyo, Osaka, Nagoya, Fukuoka
Share transfer agent:	Mitsubishi UFJ Trust and Banking Corporation
	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan

MOL Group IR Tools

“Investor Relations” web site Japanese: <http://www.mol.co.jp/ir-j/>
English: <http://www.mol.co.jp/ir-e/>

Annual Report (Japanese/English)
Investor Guidebook (Japanese/English)
Company Brochure (Japanese/English)
Environmental and Social Report (Japanese/English)



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