

Mitsui O.S.K. Lines, Ltd.

Financial Highlights: The Second Quarter Ended September 30, 2008

1. Consolidated Financial Highlights (from April 1, 2008 to September 30, 2008)

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

(1) Operational Results

	(¥Million)		(US\$ Thousand)
	Q2/ FY2008 (Apr.1 - Sep.30)	Q2/ FY2007 (Apr.1 - Sep.30)	Q2/ FY2008 (Apr.1 - Sep.30)
Revenues	1,094,767	940,275	10,570,310
Operating income	164,630	136,047	1,589,553
Ordinary income	185,999	143,638	1,795,877
Net income	124,003	86,677	1,197,287
		(¥)	(US\$)
Net income per share	103.63	72.50	1.001
Diluted net income per share	99.82	69.76	0.964

(2) Financial Position

	(¥Million)		(US\$ Thousand)
	Q2/ FY2008 (Ended Sep.30)	FY2007 (Ended Mar.31 2008)	Q2/ FY2008 (Ended Sep.30)
Total Assets	1,990,596	1,900,551	19,219,813
Interest-bearing debt	628,176	601,174	6,065,231
Total Net Assets	819,648	751,652	7,913,952
Shareholders' Equity / Total assets	37.4%	35.7%	
		(¥)	(US\$)
Shareholders' Equity per share	622.96	567.74	6.015

* Shareholders' Equity is defined as follows.

Shareholders' Equity = Total Net Assets - (Share subscription rights + Minority interests)

2. Dividends

	(¥)		
	Dividend per share		
	Interim	Year end	Annual
FY2007	14.00	17.00	31.00
FY2008	15.50		31.00
FY2008 (Forecast)		15.50	31.00

3. Forecast of Consolidated Results for Fiscal Year ending March 31, 2009

	(¥Million)		(US\$ Thousand)
	FY2008 (Apr.1 - Mar.31)		FY2008 (Apr.1 - Mar.31)
Revenues	2,050,000		19,793,376
Operating income	270,000		2,606,933
Ordinary income	300,000		2,896,592
Net income	195,000		1,882,785
		(¥)	(US\$)
Net income per share	162.97		1,574

* Underlying Assumption of the Forecast for the FY2008

The above forecast is made assuming the exchange rate and the bunker price for the FY2008.

3Q 4Q/FY2008 (Oct.1 2008- Mar.31 2009)

Exchange Rate 1US\$=¥97.00

Bunker Price

US\$ 380/MT

(Translation of foreign currencies)

The Japanese yen amounts for Q2/ FY2008 have been translated into U.S. dollars using the prevailing exchange rate at September, 2008, which was ¥103.57 to U.S. \$1.00, solely for the convenience of readers. (The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.)

2. Business Performance

(Please refer to the relevant quarterly financial report for business performance information concerning consolidated financial results that occurred prior to the second quarter in the current fiscal year.)

(Billions of Yen)

	Six months		Year-on-year comparison (variance)
	From Apr. to Sept., 2007	From Apr. to Sept., 2008	
Revenue	940.2	1,094.7	154.4/ 16.4%
Operating income	136.0	164.6	28.5 / 21.0%
Ordinary income	143.6	185.9	42.3 / 29.5%
Net income	86.6	124.0	37.3 /43.1%
Exchange rate (six-month average)	¥119.75/US\$	¥104.91/US\$	- ¥14.84/US\$
Bunker price (six-month average)	US\$354/MT	US\$608/MT	US\$254/MT

Note: The previous year results and year-on-year comparison are for reference only.

(Billions of Yen)

	Three months		Year-on-year comparison (variance)
	From Jul. to Sept., 2007	From Jul. to Sept., 2008	
Revenue	494.3	587.2	92.8/ 18.8%
Operating income	77.4	91.4	14.0 / 18.1%
Ordinary income	79.1	103.7	24.5 / 31.1%
Net income	52.7	68.6	15.9 / 29.4%
Exchange rate (three-month average)	¥120.17/US\$	¥108.08/US\$	-¥12.09/US\$
Bunker price (three-month average)	US\$376/MT	US\$651/MT	US\$275/MT

Note: The previous year results and year-on-year comparison are for reference only.

During the second quarter of fiscal year (FY) 2008 (July 1 to September 30, 2008), the financial crisis beginning in the U.S. had an impact all over the world including Europe, with serious economic effects in every nation. In the United States, the economic indices including employment had continuously deteriorated due to falling home prices and indicated the economy is has been already in a recessionary phase. Europe showed growing signs of a recession fueled by inflation and credit contraction while confusion in financial markets continued. China's exports decreased due to economic contractions in other nations and while its growth remained high, there were signs of a slower pace of expansion. Prices for resources including crude oil, which has continued to increase for several years, began to decline after peaking in July.

The dry bulker market maintained a firm tone in July, but began to fall before and after

the Beijing Olympics opened. The decline grew even sharper in September, and by the end of the month, the charter market for Cape size vessels dipped to about one-fourth of the level we saw at the end of June. The VLCC market in the Far East showed excessive volatility throughout the term, but petroleum product tankers (MR) were in a strong position. In the containership market, the bunker price slightly declined after mid July, but seaborne trade on the key East and West route was lower than forecast and the freight rates on the westbound European route weakened. As a result, business performance in this segment stagnated.

Bunker prices soared above \$750/MT in July, but then fell to around \$600/MT by the end of September. As a result, the average price during the second quarter of FY2008 was \$651/MT (an increase of 73% compared to the same period of the previous year). The average exchange rate during the second quarter was ¥108.08/US\$, about ¥12 higher than the same period of FY2007.

Consolidated revenue, operating income, and ordinary income during the second quarter of FY2008 reached new highs. The chart below shows consolidated revenue, operating income, and ordinary income for the second quarter of FY2008 by segment, with comparisons to the same period of the previous year.

Upper: Revenue. Middle: Operating Income, Lower: Ordinary Income (Billions of Yen)

	Three months		Year-on-year comparison (variance)
	From Jul. to Sept., 2007	From Jul. to Sept., 2008	
Bulkships	254.9	323.3	68.4 / 26.8 %
	66.1	88.1	21.9 / 33.2 %
	69.8	96.0	26.1 / 37.5 %
Containerships	180.5	199.3	18.8 / 10.4%
	4.9	-1.5	-6.4 / -%
	7.0	0	-7.1 / -%
Logistics	15.5	16.9	1.3 / 8.8 %
	0.3	0.1	-0.1 / -48.7 %
	0.5	0.4	-0.1 / -24.8 %
Ferry and Domestic Transport	13.1	15.5	2.3 / 18.1 %
	0.8	0.5	-0.3 / -34.9 %
	0.8	0.2	-0.5 / -64.4 %
Associated Businesses	32.7	37.4	4.6 / 14.0 %
	2.7	3.2	0.4 / 14.9 %
	3.0	3.4	0.4 / 13.9 %
Others	7.6	6.1	-1.4 / -18.9 %
	2.7	0.9	-1.8 / -66.1 %
	2.3	0	-2.2 / -96.0 %

Note: Revenue includes internal sales or transfers among segments.

The year-on-year comparison is for reference only.

(A) Bulkships

<Dry Bulkers>

The dry bulker market remained steady in July following the first quarter, but started showing weakness around the time of the Beijing Olympics in August. And, as a result, the decline grew even sharper in September so charter rates of Cape-size bulkers at the end of the second quarter fell quickly to about one-fourth of their levels at the end of the first quarter. It was attributed to several interconnected factors — re-scheduled shipments of Brazilian iron ore; modified fleet demand-supply due to the decreasing number of days on demurrage at loading ports; and an outflow of speculative money from the futures market. Nevertheless, seaborne trade from major iron ore exporting nations such as Brazil and Australia and imports to China remained strong. The average market conditions throughout the second quarter (July to September) were almost identical to the same period of the previous year, but the profits during the second quarter for FY2008 were considerably higher thanks to steady growth in earnings from mid- and long-term contracts and the completion of several voyages for which contracts were concluded during the buoyant market in May and June.

<Tankers/LNG Carriers>

In the crude oil tanker business, the double-hull VLCC market for Japan from the Persian Gulf soared to nearly WS250 in July, then dipped sharply less than WS100 due to a surplus in the fleet, and recovered to around WS150 at the end of September.

Despite these wild ups and downs, it remained at a generally high level. The product tanker (MR) market was favorable thanks to active trade in products such as gasoline and diesel fuel. The LPG carrier market remained firm until August due to an increase in long-distance spot transport, but weakened because of a decrease in shipments from the Middle East since September. All in all, the tanker business posted increased profits from the same period of the previous year.

The LNG carrier business remained at the same level as in the previous year, thanks to stable earnings from long-term contracts.

<Car Carriers>

The car carrier business for the second quarter for FY2008 was almost at the same level as the second quarter of FY2007 thanks to active trades all over the world.

(B) Containerships

On the North America routes, one of the key trades, the flagging eastbound trade caused by a downturn in the U.S. economy offset positive factors such as higher rates resulting from a surcharge introduced in May and large increases in levels of freight rates and westbound cargo volume for Asia. Profits on the route improved by a small margin from the same period (July to September) of the previous year. On the Europe route, westbound traffic from Asia increased compared the same period of FY2007. However, the growth rate fell to single digits, which was lower than forecast, due to a recession in European economy in the wake of the spreading U.S. financial crisis. The fleet demand-supply balance grew much worse because of the reallocation of large-scale containerships from North America to European routes, and the freight rate market declined rapidly. Due to these factors, profits on the route dropped sharply from the same period (July to September) of FY2007. In the north-south route, the cargo mainly for developing nations showed favorable growth, but this could not offset bunker prices that remained high, and profits decreased compared to the same period (July to September) of the previous year. As a result, the profits in the containership business during the second quarter deteriorated from the levels seen during the same period of the previous year.

(C) Logistics

Cargo trade of overseas subsidiaries remained strong although air cargo trade from/to Japan saw sluggish growth. We are focusing heavily on the MOL Consolidation Service (MCS), which performed well. As a result, profits for the second quarter of the fiscal year were almost the same as the same period of the previous year.

(Note): MOL Consolidation Service (MCS) is a logistics service that supports "buyer's consolidation," in which mainly European and U.S. major retail and apparel companies buy products directly from China and other Asian nations.

(D) Ferry and Domestic Transport

Ferry traffic in the peak summer season slumped as rising gasoline prices discouraged people from taking car trips, and high bunker prices compressed profits. As a result, the second quarter profits in this segment declined from the same period of the previous year.

(E) Associated Businesses

In the real estate business, in which our main subsidiary Daibiru Corporation plays a

core role, we saw generally strong performance. In the trading business, ship machinery and parts sales maintained firm. Cruise ship operations attracted more passengers but high bunker prices compressed profits. As a result, overall profits in the associated businesses segment during the second quarter of FY2008 were on a par with the same period of the previous year.

(F) Others

Other businesses, which are mainly cost centers, include ship operations, ship management, ship chartering, financing, and shipbuilding. Overall profits for the second quarter of the year in this segment decreased from the same period of the previous year.

3. Financial Position

Total assets for the FY2008, ended September 30, 2008, were 1,990.5 billion yen, an increase of 90.0 billion yen from the end of the previous fiscal year. This was mainly due to an increase in vessels and in vessels and other property under construction despite a decrease in investment securities. Total liabilities increased by 22.0 billion yen from the end of the previous fiscal year to 1,170.9 billion yen mainly due to an increase in trade payables and commercial paper. Total net assets increased by 67.9 billion yen from the end of the previous fiscal year to 819.6 billion yen. This was mainly due to an increase in retained earnings. As a result, the shareholders' equity / total assets ratio increased to 37.4%

4. Outlook for FY2008

(Billions of Yen)

	Previous outlook (When announced 1Q)	Latest outlook (When announced 2Q)	Quarter-to-quarter comparison (variance)
Revenue	2,150	2,050	-100/4.7 %
Operating income	300	270	-30/10.0 %
Ordinary income	320	300	-20/6.3 %
Net income	210	195	-15/7.1 %

Exchange rate	¥100.00/US\$	¥97.00/US\$	-¥3.00/US\$
Bunker price	US\$750/MT	US\$380/MT	-US\$370/MT

(Assumption of 3/4Q)

(Assumption of 3/4Q)

The dry bulker market has been sinking fast in step with declining stock prices and commodity markets since the global financial panic began in early October. This does

not necessarily indicate a direct impact on fleet demand and supply, but considering a bearish trend in demand-supply prospects for steel products in China, it is conceivable that we will see some effect on trade. Therefore, we expect the dry bulker market to undergo a continued correction for some time to come. But the effects of the spot market on the profit structure of this segment are limited because a considerable share of our dry bulker fleet sails under mid- and long-term contracts, which are not affected by the market. In the tanker segment, we forecast continued firmness in the product tanker (MR) market. And we anticipate that the LNG carrier and car carrier divisions will continue to show steady profits. In the containership segment, we have taken steps to reduce the tonnage on North America and European routes, which means we have already responded to the decline in cargo movement. Bunker prices, which had compressed profits, have started settling down, so we expect profits in this segment to improve in and after the third quarter.

Considering these prospects, we project consolidated revenue for the fiscal year ending March 31, 2009, of ¥2,050 billion; consolidated operating income of ¥270 billion; consolidated ordinary income of ¥300 billion; and consolidated net income of ¥195 billion.

Currently, the company plans to pay an annual dividend for FY 2008 (ending March 31, 2009) of ¥31 per share. We will pay an interim dividend to promptly return profits to our shareholders. We set this interim dividend at ¥15.5 per share at the Board of Directors meeting held on October 27, 2008.

5. Consolidated Financial Statements

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

(1) Consolidated Balance Sheets

	(¥Million)	
	As of September 30, 2008	As of March 31, 2008
Assets		
Current assets		
Cash and cash equivalents	60,407	62,982
Trade receivables	253,857	244,535
Marketable securities	38	41
Fuel and supplies	60,032	46,650
Deferred and prepaid expenses	82,328	71,526
Deferred tax assets	7,607	5,018
Other current assets	90,312	75,647
Allowance for doubtful accounts	(517)	(324)
Total Current Assets	554,068	506,077
Fixed assets		
Tangible fixed assets		
Vessels	619,589	598,585
Buildings and structures	86,181	88,732
Equipments, mainly containers	13,097	11,119
Equipments and parts	5,523	5,661
Land	180,600	180,588
Vessels and other property under construction	216,548	162,196
Other tangible fixed assets	1,794	940
Total tangible fixed assets	1,123,335	1,047,824
Intangible fixed assets		
Goodwill	5,801	7,167
Other intangible fixed assets	9,690	9,668
Total intangible fixed assets	15,492	16,835
Investments and other assets		
Investment securities	216,828	230,940
Long-term loans receivable	28,608	29,651
Prepaid expenses	5,197	5,757
Deferred tax assets	2,721	2,818
Other long-term assets	46,457	62,803
Allowance for doubtful accounts	(2,114)	(2,158)
Total investments and other assets	297,700	329,813
Total fixed assets	1,436,528	1,394,473
Total assets	1,990,596	1,900,551

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

(1) Consolidated Balance Sheets

(¥Million)

	As of September 30, 2008	As of March 31, 2008
Liabilities		
Current liabilities		
Trade payables	231,923	180,281
Short-term bonds	32,560	29,106
Short-term bank loans	85,991	86,314
Accrued income taxes	64,203	82,214
Advances received	36,494	85,950
Deferred tax liabilities	1,275	1,008
Allowance		
for provision for bonuses	4,985	5,696
for provisions for directors' bonuses	169	274
Commercial paper	36,000	10,000
Other current liabilities	64,219	47,543
Total Current Liabilities	557,823	528,390
Fixed liabilities		
Bonds due	123,978	137,906
Long-term bank loans	329,657	321,373
Deferred tax liabilities	59,955	66,402
Allowance		
for employees' severance and retirement benefits	13,928	14,469
for Directors' and corporate auditors' retirement benefits	1,962	2,160
for provisions for special repairs	14,507	15,457
Other fixed liabilities	69,135	62,738
Total Fixed Liabilities	613,124	620,508
Total Liabilities	1,170,948	1,148,898
Net Assets		
Owners' equity		
Common stock	65,400	65,350
Capital surplus	44,576	44,449
Retained earnings	639,657	536,096
Treasury stock, at cost	(6,544)	(6,051)
Total owners' equity	743,089	639,844
Accumulated gains (losses) from valuation and translation adjustments		
Unrealized holding gains on available for-sale-securities, net of tax	20,829	31,647
Unrealized gains on hedging derivatives, net of tax	(5,508)	12,051
Foreign currency translation adjustments	(13,031)	(4,227)
Total accumulated gains (losses) from valuation and translation adjustments	2,290	39,471
Share subscription rights	1,349	967
Minority interests	72,918	71,369
Total Net Assets	819,648	751,652
Total Liabilities and Total Net Assets	1,990,596	1,900,551

(2) Consolidated Statements of Income

(¥Million)

	Q2/ FY2008 (Apr.1 - Sep.30)
Shipping and other operating revenues	1,094,767
Shipping and other operating expenses	873,979
Gross operating income	220,787
Selling, general and administrative expenses	56,157
Operating income	164,630
Non-operating income:	
Interest income	1,479
Dividend income	2,601
Equity in earnings of unconsolidated subsidiaries and affiliated companies	13,751
Exchange gains	6,420
Others	5,405
Total	29,658
Non-operating expenses:	
Interest expense	7,572
Others	716
Total	8,288
Ordinary income	185,999
Extraordinary profit:	
Gain on sale of fixed assets	9,822
Gain on sale of investment securities	4
Cancellation fee for chartered ships	4,312
Others	1,018
Total	15,157
Extraordinary loss:	
Loss on sale or disposal of fixed assets	231
Loss on retirement of fixed assets	83
Valuation loss on investment securities	1,773
Loss on sales of investment securities	3
Provision of allowance for doubtful accounts	1
Special retirement expenses	20
Others	611
Total	2,725
Income before income taxes and minority interests	198,432
Income taxes - current	71,369
Minority interests in earnings of consolidated subsidiaries	3,058
Net income	124,003

(Presentation of Taxes) As tax expenses for the 2nd quarter from April 1 to September 30 2008, are calculated using the simplified method, the tax adjustment is included in "Income taxes-current" in the income statements above.

(2) Consolidated Statements of Income

(¥Million)

	Q2/ FY2008 (Jul.1 - Sep.30)
Shipping and other operating revenues	587,257
Shipping and other operating expenses	465,875
Gross operating income	121,381
Selling, general and administrative expenses	29,969
Operating income	91,412
Non-operating income:	
Interest income	813
Dividend income	693
Equity in earnings of unconsolidated subsidiaries and affiliated companies	8,043
Exchange gains	2,972
Others	3,864
Total	16,386
Non-operating expenses:	
Interest expense	3,753
Others	308
Total	4,062
Ordinary income	103,736
Extraordinary profit:	
Gain on sale of fixed assets	5,587
Gain on sale of investment securities	3
Others	714
Total	6,305
Extraordinary loss:	
Loss on sale or disposal of fixed assets	230
Loss on retirement of fixed assets	82
Valuation loss on investment securities	1,770
Loss on sales of investment securities	3
Others	249
Total	2,336
Income before income taxes and minority interests	107,705
Income taxes - current	37,580
Minority interests in earnings of consolidated subsidiaries	1,459
Net income	68,664

(Presentation of Taxes) As tax expenses for the 2nd quarter from July 1 to September 30 2008 , are calculated using the simplified method, the tax adjustment is included in "Income taxes-current" in the income statements above.

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

(3) Consolidated statements of Cash flows

(¥ Million)

	Apr.1 - Sept.30 08
Cash flows from operating activities:	
Income before income taxes and minority interests	198,432
Depreciation and amortization	40,348
Equity in earnings of unconsolidated subsidiaries and affiliated companies, net	(13,751)
Loss (gain) on write-down of investment securities	1,773
Various provisions (reversals)	(2,172)
Interest and dividend income	(4,080)
Interest expense	7,572
Loss (gain) on the sale of investment securities	(1)
Loss (gain) on sale and disposal of vessels, property, plant and equipment	(9,506)
Exchange loss (gain), net	(4,992)
Changes in operating assets and liabilities	
- Trade receivables	(69,713)
- Fuel and supplies	(13,556)
- Trade payables	52,394
Other, net	6,387
Sub total	189,133
Cash received for interest and dividend	10,836
Cash paid for interest	(7,938)
Cash paid for corporate income tax, resident tax and enterprise tax	(82,253)
Net cash provided by operating activities	109,778
Cash flows from investing activities:	
Purchase of marketable and investment securities	(1,258)
Proceeds from sale of marketable and investment securities	913
Payments for purchases of vessels and other tangible and intangible fixed assets	(135,781)
Proceeds from sale of vessels and other tangible and intangible fixed assets	16,093
Net (increase) decrease in short-term loans receivable	(4,605)
Disbursements for loans receivable	(206)
Collections of loans receivable	851
Other, net	427
Net cash used in investing activities	(123,565)
Cash flows from financing activities:	
Net increase (decrease) in short-term bonds	(2,092)
Net increase (decrease) in short-term bank loans	8,216
Net increase (decrease) in commercial paper	26,000
Proceeds from long-term bank loans	47,924
Repayments of long-term bank loans	(39,610)
Proceeds from issuance of bonds	5,292
Redemption of bonds	(10,847)
Purchase of treasury stock	(890)
Sale of treasury stock	475
Cash dividends paid by the company	(20,328)
Cash dividends paid to minority interests	(425)
Other, net	(283)
Net cash provided by financing activities	13,429
Effect of exchange rate changes on cash and cash equivalents	(1,693)
Net increase (decrease) in cash and cash equivalents	(2,050)
Cash and cash equivalents at beginning of year	61,715
Net cash increase (decrease) from new consolidation/de-consolidation of subsidiaries	150
Cash and cash equivalents at end of period	59,815

(4) Segment Information

Business segment information:

(¥Million)

Q2/FY2008 (Apr.1 - Sep.30)	Bulk-ships	Container-ships	Logistics	Ferry & Domestic Transport	Associated Businesses	Others	Total	Elimination	Consolidated
Revenues									
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	594,859	372,017	32,777	29,217	61,064	4,829	1,094,767	—	1,094,767
2.Inter-segments revenues	1,549	835	696	80	12,170	7,516	22,848	(22,848)	—
Total Revenues	596,409	372,853	33,474	29,297	73,234	12,345	1,117,615	(22,848)	1,094,767
Operating income / (loss)	160,329	(4,974)	406	184	6,508	2,735	165,189	(559)	164,630
Ordinary income / (loss)	171,152	(2,226)	922	(280)	7,177	1,364	178,110	7,888	185,999

(¥Million)

Q2/FY2008 (Jul.1 - Sep.30)	Bulk-ships	Container-ships	Logistics	Ferry & Domestic Transport	Associated Businesses	Others	Total	Elimination	Consolidated
Revenues									
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	322,604	199,035	16,602	15,528	31,170	2,315	587,257	—	587,257
2.Inter-segments revenues	758	339	352	44	6,232	3,862	11,590	(11,590)	—
Total Revenues	323,362	199,374	16,954	15,573	37,403	6,178	598,847	(11,590)	587,257
Operating income/ (loss)	88,151	(1,548)	181	582	3,216	946	91,529	(117)	91,412
Ordinary income / (loss)	96,084	(44)	437	296	3,436	94	100,304	3,431	103,736

Background information

(1) Consolidated Statements of Income

(¥Millior)

	Q2/ FY2007 (Apr.1 - Sep.30)	Q2/ FY2008 (Apr.1 - Sep.30)	Increase & decrease	
			Amount	%
Shipping and other operating revenues	940,275	1,094,767	154,492	16
Shipping and other operating expenses	750,568	873,979	123,411	16
Gross operating income	189,707	220,787	31,080	16
Selling, general and administrative expenses	53,660	56,157	2,497	5
Operating income	136,047	164,630	28,583	21
Non-operating income:				
Interest income	1,919	1,479	(440)	
Dividend income	2,437	2,601	164	
Equity in earnings of unconsolidated subsidiaries and affiliated companies	10,176	13,751	3,575	
Others	3,880	11,826	7,946	
Total	18,413	29,658	11,245	61
Non-operating expenses:				
Interest expense	9,281	7,572	(1,709)	
Others	1,541	716	(825)	
Total	10,822	8,288	(2,534)	(23)
Ordinary income	143,638	185,999	42,361	30
Extraordinary profit:				
Gain on sale of fixed assets	11,223	9,822	(1,401)	
Gain on sale of investment securities	228	4	(224)	
Others	4,048	5,330	1,282	
Total	15,500	15,157	(343)	(2)
Extraordinary loss:				
Loss on sale or disposal of fixed assets	456	315	(141)	
Loss on sales of investment securities	8	3	(5)	
Valuation loss on investment securities	7	1,773	1,766	
Others	11,423	633	(10,790)	
Total	11,896	2,725	(9,171)	(77)
Income before income taxes and minority interests	147,242	198,432	51,190	35
Income taxes - current	57,330	71,369	14,039	25
Minority interests in earnings of consolidated subsidiaries	3,234	3,058	(176)	(5)
Net income	86,677	124,003	37,326	43

(Presentation of Taxes) As tax expenses for the 2nd quarter from April 1 to September 30 2008 and April 1 to September 30 2007 are calculated using the simplified method, the tax adjustment is included in "Income taxes-current" in the income statements above.

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

(2) Consolidated statements of Cash flows

(¥ Million)

	Apr.1 - Sep.30 2007
Cash flows from operating activities:	
Income before income taxes and minority interests	147,242
Depreciation and amortization	36,500
Reversal of provisions	10,291
Interest and dividend income	(4,356)
Interest expense	9,281
Equity in earnings of unconsolidated subsidiaries and affiliated companies, net	(10,176)
Loss (Gain) on sale and disposal of vessels, property, plant and equipment	(10,766)
Loss on write-down of investment securities	7
Loss (Gain) on sale of investment securities	(219)
Changes in operating assets and liabilities	
- Trade receivables	(76,769)
- Fuel and supplies	(7,765)
- Trade payables	49,484
Other, net	13,406
Sub total	156,161
Cash received for interest and dividend	9,788
Cash paid for interest	(8,645)
Cash paid for corporate income tax, resident tax and enterprise tax	(41,089)
Net cash provided by operating activities	116,214
Cash flows from investing activities:	
Purchase of marketable and investment securities	(7,005)
Proceeds from sale of marketable and investment securities	412
Payments for acquisition of vessels and other tangible and intangible fixed assets	(134,154)
Proceeds from sale of vessels and other tangible and intangible fixed assets	32,675
Net (increase) decrease in short-term loans	(12,614)
Disbursements for long-term loans	(675)
Collections of long-term loans receivable	5,569
Other, net	(878)
Net cash used in investing activities	(116,672)
Cash flows from financing activities:	
Net increase (decrease) in short-term loans	(26,088)
Net increase (decrease) in short-term bonds	(137)
Net increase (decrease) in commercial paper	(7,000)
Proceeds form long-term loans	89,423
Repayments of long-term loans	(40,651)
Proceeds form issuance of bonds	17,631
Redemption of bonds	(6,606)
Cash dividends paid by the company	(13,155)
Other, net	(673)
Net cash provided by financing activities	12,741
Effect of exchange rate changes on cash and cash equivalents	1,089
Net increase (decrease) in cash and cash equivalents	13,373
Cash and cash equivalents at beginning of period	51,382
Net cash increase (decrease) from new consolidation/de-consolidation of subsidiaries	306
Cash and cash equivalents at the end of the period	65,062

(3) Segment Information

Business segment information:

(¥Million)

Q2/FY2007 (Apr.1 - Sep.30)	Bulk-ships	Container-ships	Logistics	Ferry & Domestic Transport	Associated Businesses	Others	Total	Elimination	Consolidated
Revenues									
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	482,872	342,606	29,645	25,806	52,795	6,550	940,275	—	940,275
2.Inter-segments revenues	1,190	832	709	69	10,761	6,420	19,983	(19,983)	—
Total Revenues	484,062	343,438	30,355	25,875	63,556	12,970	960,258	(19,983)	940,275
Operating expenses	364,839	338,837	29,749	25,087	57,436	8,962	824,913	(20,684)	804,228
Operating income / (loss)	119,222	4,600	605	787	6,120	4,008	135,345	701	136,047
Ordinary income / (loss)	125,969	7,895	929	536	6,778	3,879	145,988	(2,349)	143,638

Supplement

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

1. Comparison with Midterm Management Plan "MOL ADVANCE"

(1) Revenues & Income

(¥ Billion)

	FY2006	FY2007		FY2008		FY2009
	Results	MOL ADVANCE Plan	Results	MOL ADVANCE Plan	Forecast	MOL ADVANCE Plan
Revenues (*1)	1,568	1,640	1,945	1,880	2,050	2,060
Bulkships(*2)	787	790	1,024	810	1,070	870
Containerships	568	620	686	820	720	910
Other 4 segments(*3)	212	230	234	250	260	280
Operating Income	168	182	291	197	270	212
Ordinary income	182	190	302	205	300	220
Bulkships	163	161	277	164	270	168
Containerships	3	10	6	20	0	30
Other 4 segments	18	20	21	22	19	23
Elimination	△ 2	△ 1	△ 3	△ 1	10	△ 1
Net income	120	124	190	133	195	143
Ratio of ordinary income to revenue	11.6%	11.6%	15.5%	10.9%	14.6%	10.7%

Av. Ex. Rate ¥117.40/US\$ ¥110.00/US\$ ¥115.55/US\$ ¥110.00/US\$ ¥100.96/US\$ ¥110.00/US\$

Av. Bunker price US\$321/MT US\$300/MT US\$409/MT US\$300/MT US\$494/MT US\$300/MT

(*1)Revenues = Revenues from customers, unconsolidated subsidiaries and affiliated companies (Assumption)

(*2)Dry bulkers, tankers, LNG carriers and car carriers

(*3)Logistics, ferry & domestic transport, associated businesses, others

(2) Financial Indices (Guideline)

(¥ Billion)

	2008.3	2008.9	"MOL ADVANCE" Guideline for 2010.3
Shareholders' Equity	679	745	860
Shareholders' Equity /Total assets	35.7%	37.4%	40% or more
Gearing ratio	88.5%	84.3%	100% or less
ROA	10.8%		7% or more

Shareholders' Equity = Total Net Assets - (Share subscription rights + Minority interests)

Gearing ratio = Interest-bearing debt ÷ Shareholders' Equity

ROA = Net income ÷ Total Assets

2. Review of Quarterly Results

FY2008

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Apr.~Jun.,2008	Jul.~Sep.,2008	Oct.~Dec.,2008	Jan.~Mar.,2009
Revenues [¥ Million]	507,509	587,257		
Operating Income	73,218	91,412		
Ordinary income	82,263	103,736		
Income before income taxes	90,726	107,715		
Net income	55,338	68,664		
Net income per share [¥]	46.25	57.38		
Total assets [¥ Million]	1,865,891	1,990,596		
Total net assets	736,289	819,648		
Shareholders' Equity per share [¥]	553.53	622.96		

FY2007

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Apr.~Jun.,2007	Jul.~Sep.,2007	Oct.~Dec.,2007	Jan.~Mar.,2008
Revenues [¥ Million]	445,885	494,390	508,099	497,322
Operating Income	58,642	77,405	83,863	71,374
Ordinary income	64,493	79,145	88,780	69,801
Income before income taxes	62,339	84,903	96,490	74,470
Net income	33,945	52,732	58,937	44,707
Net income per share [¥]	28.40	44.10	49.28	37.36
Total assets [¥ Million]	1,736,856	1,880,686	1,928,963	1,900,551
Total net assets	647,840	718,763	720,931	751,652
Shareholders' Equity per share [¥]	481.95	540.06	543.71	568.96

3. Depreciation and Amortization

	Six months ended September 30, 2007	Six months ended September 30, 2008	Increase /Decrease	(Million yen) FY2007
Vessels	27,004	30,952	3,948	55,480
Others	9,496	9,396	△ 100	19,000
Total	36,500	40,348	3,848	74,480

4. Interest-bearing Debt

	As of March 31, 2008	As of September 30, 2008	Increase /Decrease	(Million yen) As of September 30, 2007
Bank loans	407,688	415,648	7,960	447,696
Bonds	167,012	156,539	△ 10,473	148,092
Commercial paper	10,000	36,000	26,000	5,000
Others	16,474	19,988	3,514	12,326
Total	601,174	628,176	27,002	613,115

5. Fleet Capacity (MOL and consolidated subsidiaries)

	Dry bulkers		Tankers		LNG carriers		Car carriers		Containerships	
	No. of ships	1,000MT	No. of ships	1,000MT	No. of ships	1,000MT	No. of ships	1,000MT	No. of ships	1,000MT
Owned	93	6,967	73	9,987	28	1,869	36	608	35	1,804
Chartered	283	24,965	92	4,126	7	531	62	916	95	3,932
Others	1	152	-	-	2	143	-	-	-	-
Total	377	32,084	165	14,113	37	2,543	98	1,523	130	5,735
As of Mar. 31, 2008	364	30,334	162	14,282	36	2,469	103	1,574	130	5,503

	Ferries/Domestic carriers(*1)		Passenger ships		Others		Total	
	No. of ships	1,000MT	No. of ships	1,000MT	No. of ships	1,000MT	No. of ships	1,000MT
Owned	14	78	1	5	4	104	284	21,422
Chartered	30	79	-	-	2	13	571	34,561
Others	2	3	-	-	-	-	5	298
Total	46	160	1	5	6	117	860	56,281
As of Mar. 31, 2008	46	159	1	5	3	19	845	54,345

*1:excluding tug boats

6. Exchange Rates

	Three months ended September 30, 2007	Three months ended September 30, 2008	Change			FY2007
Average rates	¥119.75	¥104.91	¥14.84	(12.4%)	¥ appreciated	¥115.55
Term-end rates	¥115.43	¥103.57	¥11.86	(10.3%)	¥ appreciated	¥100.19

(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 June 30, 2007	TTM on June 30, 2008	Change			TTM on December 31, 2007
Term-end rates	¥123.26	¥106.42	¥16.84	(15.8%)	¥ appreciated	¥114.15

7. Bunker Prices

	Six months ended September 30, 2007	Six months ended September 30, 2008	Increase /Decrease	FY2007
Consumption Prices	US\$354/MT	US\$608/MT	US\$254/MT	US\$409/MT

7. Outlook for FY2008

(¥ Billion)

Segments	Revenues(*)	Operating Income	Ordinary Income
Bulkships	1,070	255	270
Containerships	720	△ 3	0
Logistics	68	1	2
Ferry /Domestic Transport	62	1	1
Associated Businesses	120	12	13
Others	10	2	2
Elimination	-	△ 0	10
Total	2,050	270	300

<Assumption>	Apr. ~ Jun., 2008 (Actual)	Jul. ~ Sep., 2008 (Actual)	Oct., 2008 ~ Mar., 2009	FY2008 (Average)
exchange rates	¥101.74/US\$	¥108.08/US\$	¥97.00/US\$	¥100.96/US\$
bunker prices	US\$560/MT	US\$651/MT	US\$380/MT	US\$494/MT

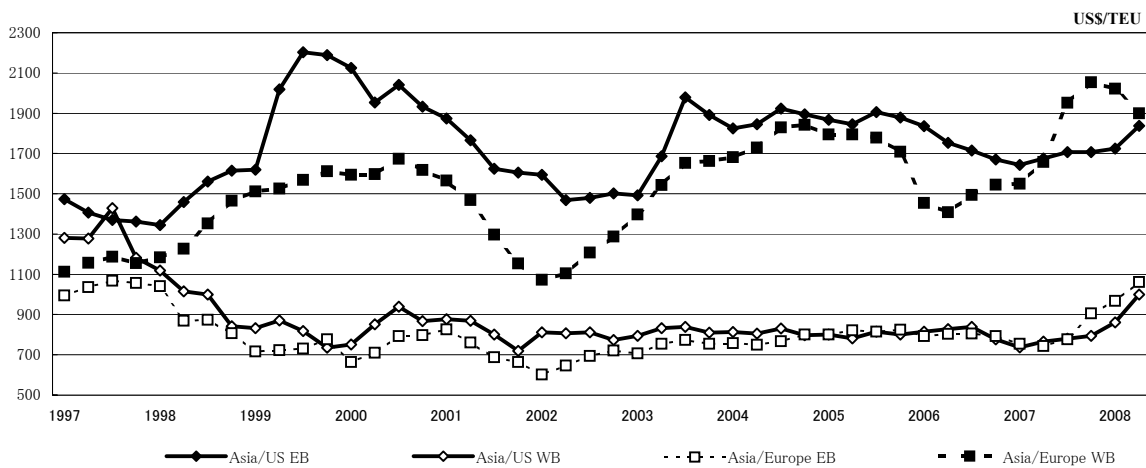
(*) Revenues from customers, unconsolidated subsidiaries and affiliated companies

8. Containerships' Capacity, Lifting and Utilization

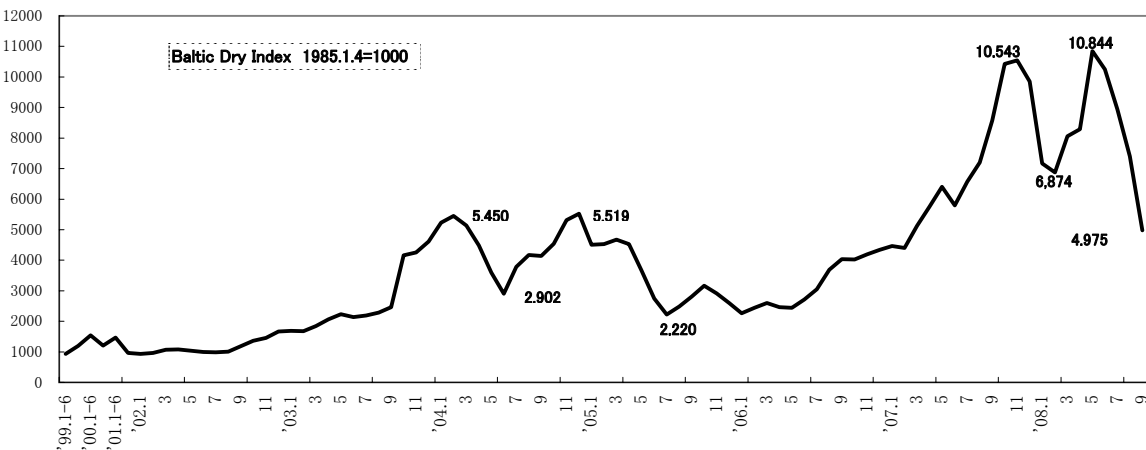
			Capacity(1000TEU)	Lifting(1000TEU)	Utilization
Asia -North America Trade	Outbound	FY2008 2Q 6 months	310	273	88%
		FY2007 2Q 6 months	303	292	97%
	Inbound	FY2008 2Q 6 months	303	184	61%
		FY2007 2Q 6 months	293	169	58%
Asia -Europe Trade	Outbound	FY2008 2Q 6 months	262	246	94%
		FY2007 2Q 6 months	220	218	99%
	Inbound	FY2008 2Q 6 months	259	135	52%
		FY2007 2Q 6 months	209	129	62%
Total: All Trades		FY2008 2Q 6 months	2,352	1,766	75%
		FY2007 2Q 6 months	2,095	1,621	77%

9. Market Information

(1) Containership Market (Containerization International "Freight Rates Indicators")



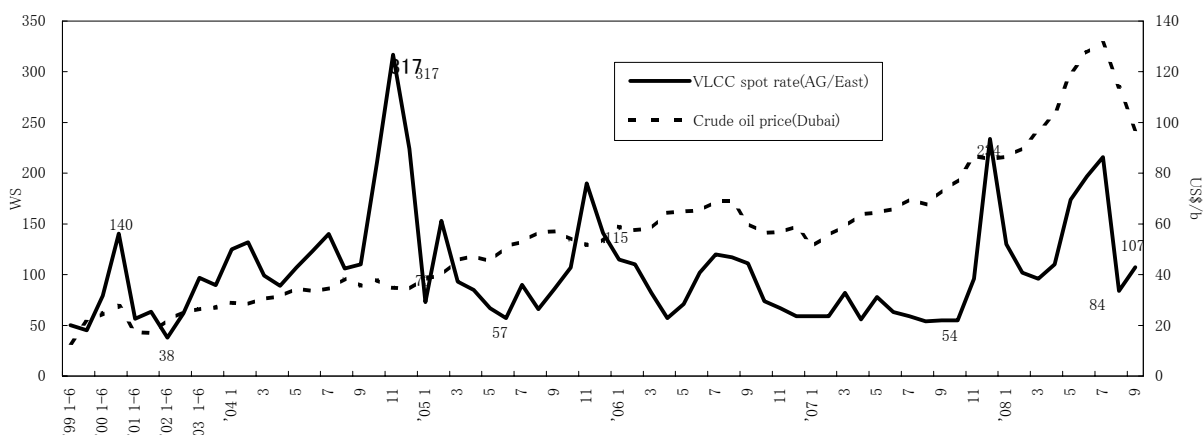
(2) Dry Bulk Market (Baltic Dry Index)



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Maximum	1,156	1,343	1,734	1,566	1,666	4,609	5,519	4,678	4,336	10,543	10,844
Minimum	799	803	1,371	855	931	1,674	2,902	2,220	2,262	4,398	4,975

**1999-2002 data on the graph are half-yearly averages. (Jan.~Sept.)

(3) VLCC Market



AG/East VLCC spot rate	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Maximum	80	62	168	108	112	149	317	190	120	218	216
Minimum	47	36	55	35	29	49	89	57	57	54	96

**1999-2002 data on the graph are half-yearly averages. (Jan.~Sept.)