



Business Performance
in
FY2008-1st Quarter

Mitsui O.S.K. Lines, Ltd.

July 2008

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FY2008 1st Quarter Results [Consolidated]

(billion yen)

	FY2008 1Q Results	FY2007 1Q Results	Increase/ decrease
Revenue	508	446	62
Operating income	73	59	15
Ordinary income	82	65	18
Net income	55	34	21
Average exchange rate	¥101.74/\$	¥119.32/\$	△¥17.58/\$
Average bunker price	\$560/MT	\$331/MT	+\$229/MT

Impact to ordinary income **△33.9 bil. ¥**

{ △66.8 bil. ¥ X 1/4 (Ex. Rate)
 { △68.7 bil. ¥ X 1/4 (Bunker)

(For reference)

FY2008 Exchange rate sensitivity/year	±3.80 bil. ¥/1¥ (Max)
FY2008 Bunker price sensitivity/year	±0.30 bil. ¥/1\$ (Max)

[By segment]

(billion yen)

		FY2008 1Q Results	FY2007 1Q Results	Increase/ decrease
Bulkships	Revenue	272	229	+44
	Ordinary income	75	56	+19
Containerships	Revenue	173	162	+11
	Ordinary income	△ 2	1	△ 3
Logistics	Revenue	16	14	+2
	Ordinary income	0	0	+0
Ferry& domestic transport	Revenue	14	13	+1
	Ordinary income	△ 1	△ 0	△ 0
Associated businesses	Revenue	30	26	+4
	Ordinary income	4	4	△ 0
Others	Revenue	3	2	+0
	Ordinary income	1	2	△ 0
Elimination	Revenue	-	-	-
	Ordinary income	4	2	+2
Consolidated	Revenue	508	446	+62
	Ordinary income	82	64	+18

Revenues from customers, unconsolidated subsidiaries and affiliated companies.

“Bulkships” consists of Dry bulkers, Tankers, LNG carriers, and Car carriers

Outline of FY2008 1st Quarter Results [Consolidated]

【Overall】 (Comparison with same period of FY2007)

Revenue: ¥507.5 bil. (+14%, increase of ¥61.6 bil.)

Ordinary income: ¥82.3 bil. (+28%, increase of ¥17.8 bil.)

- Greatly increased compared to the same period of FY2007, in spite of negative impact of ¥34 billion in profits due to rising yen and higher bunker prices.
Ordinary income reached an all-time high for the first quarter.

【By segment】 (Comparison of ordinary income with same period of FY2007)

Bulkships (+¥19 billion)

- **Dry bulkers:** Resource transport demand continuously increased.
Profits rose strongly backed by medium- and long-term stable profits and favorable market conditions.
- **Tankers:** Profit declined, affected by stagnant product tanker market, yen appreciation, and high bunker prices, in spite of strong crude oil tanker market.
- **Car carriers:** Number of units to transport increased thanks to effects of newly launched vessels.

Containerships (Δ¥3 billion)

Seaborne trade for North America declined in step with deceleration of U.S. economy.

Other routes remained firm. Bunker surcharge scheme, which spread to North America routes this spring, could not overtake skyrocketing bunker price. Profit declined.

Other four businesses (Δ¥0.4 billion)

Profits in domestic ferry business declined due to high bunker prices

Results Comparison FY2008-1Q vs FY2007-1Q

Major factors affected Revenue & Ordinary income

● Revenue

Stronger yen **△¥65.9 bil.**

Fluctuation of cargo volume/freight rates, etc. **+¥102.5 bil.**

Others **+¥25.0 bil.**

(Total) **+ ¥61.6 bil.**

● Ordinary income

Stronger yen **△¥16.7 bil.** (FY08-1Q ¥101.74/\$; -¥17.58/\$)

Higher bunker **△¥17.1 bil.** (FY08-1Q\$560/MT; -\$299/MT)

Fluctuation of cargo volume/freight rates, etc. **+¥46.0 bil.**

Cost Reduction **+3.9 bil.**

Equity in earnings of affiliated companies **+¥1.5 bil.**

Others (incl. Elimination) **+¥0.3 bil.**

(Balance) **+¥17.8 bil.**

FY2008 Forecast [Consolidated]

FY2008	1st Half			1H Forecast as of 4/25/08 (b)	(a)-(b)	2nd Half Forecast	(billion yen)		
	1Q Result	2Q Forecast	Forecast (a)				FY2008 Forecast (c)	FY2008 Forecast as of 4/25/08 (d)	(c)-(d)
Revenue	508	572	1,080	1,010	+70	1,070	2,150	2,050	+100
Operating income	73	85	158	140	+18	142	300	280	+20
Ordinary income	82	88	170	152	+18	150	320	300	+20
Net income	55	59	114	104	+10	96	210	200	+10
Average exchange rate	¥101.74/\$	¥105.00/\$	¥103.37/\$	¥100.00/\$	+¥3.37/\$	¥100.00/\$	¥101.69/\$	¥100.00/\$	+¥1.69/\$
Average bunker price	\$560/MT	\$750/MT	\$655/MT	\$530/MT	+\$125/MT	\$750/MT	\$702/MT	\$530/MT	+\$172/MT

Impact to ordinary income $\Delta 12.3$ bil. ¥

Impact to ordinary income $\Delta 45.2$ bil. ¥

(For reference)

FY2008 Exchange rate sensitivity/year	± 3.80 bil. ¥/1¥ (Max)
FY2008 Bunker price sensitivity/year	± 0.30 bil. ¥/1\$ (Max)

$\left\{ \begin{array}{l} +12.8 \text{ bil. ¥ } \times 1/2 \text{ (Ex. Rate)} \\ \Delta 37.5 \text{ bil. ¥ } \times 1/2 \text{ (Bunker)} \end{array} \right.$

$\left\{ \begin{array}{l} +6.4 \text{ bil. ¥ (Ex. Rate)} \\ \Delta 51.6 \text{ bil. ¥ (Bunker)} \end{array} \right.$

cf. FY2007 Result

FY2007	1st Half			2nd Half Result	FY2007 Result
	1Q Result	2Q Result	Result		
Revenue	446	494	940	1,005	1,946
Operating income	59	77	136	155	291
Ordinary income	64	79	144	159	302
Net income	34	53	87	104	190

Average exchange rate ¥119.32/\$ ¥120.17/\$ ¥119.75/\$ ¥111.35/\$ ¥115.55/\$
Average bunker price \$331/MT \$377/MT \$354/MT \$464/MT \$409/MT

Exchange rate $\Delta \text{¥}13.87/\text{\$}$

Bunker price $+\text{\$}293/\text{MT}$

Impact to ordinary income $\Delta 140.5$ bil. ¥

$\left\{ \begin{array}{l} \Delta 52.7 \text{ bil. ¥ (Ex. Rate)} \\ \Delta 87.9 \text{ bil. ¥ (Bunker)} \end{array} \right.$

FY2008 Consolidated Segment Forecast

(billion yen)

	FY2008	1st Half			1H Forecast as of 4/25/08 (b)	(a)-(b)	2nd Half Forecast	FY2008 Forecast (c)	FY2008 Forecast as of 4/25/08 (d)	(c)-(d)
		1Q Result	2Q Forecast	Forecast (a)						
Bulkships	Revenue	272	301	573	506	+67	547	1,120	1,050	+70
	Ordinary income	75	83	158	132	+26	134	292	265	+27
Containerships	Revenue	173	207	380	380	+0	400	780	750	+30
	Ordinary income	△ 2	4	2	7	△ 5	5	7	10	△ 3
Logistics	Revenue	16	19	35	35	+0	36	71	73	△ 2
	Ordinary income	0	1	1	1	+0	2	3	3	△ 0
Ferry & domestic transport	Revenue	14	16	30	30	+0	29	59	60	△ 1
	Ordinary income	△ 1	1	0	1	△ 1	1	1	2	△ 1
Associated businesses	Revenue	30	27	57	54	+3	53	110	107	+3
	Ordinary income	4	3	7	6	+0	6	13	13	+0
Others	Revenue	3	2	5	5	+0	5	10	10	+0
	Ordinary income	1	0	2	1	+0	2	3	3	+0
Elimination	Revenue	-	-	-	-	-	-	-	-	-
	Ordinary income	4	△ 4	1	4	△ 3	0	1	5	△ 3
Consolidated	Revenue	508	572	1,080	1,010	+70	1,070	2,150	2,050	+100
	Ordinary income	82	88	170	152	+18	150	320	300	+20

Revenues from customers, unconsolidated subsidiaries and affiliated companies.

cf. FY2007 Result

(billion yen)

	FY2007	1st Half			2nd Half Result	FY2007 Result
		1Q Result	2Q Result	Result		
Bulkships	Revenue	229	254	483	542	1,025
	Ordinary income	56	70	126	152	278
Containerships	Revenue	162	180	343	344	687
	Ordinary income	1	7	8	△ 1	7
Logistics	Revenue	14	15	30	32	61
	Ordinary income	0	1	1	1	2
Ferry& domestic transport	Revenue	13	13	26	27	53
	Ordinary income	△ 0	1	1	△ 0	0
Associated businesses	Revenue	26	27	53	56	109
	Ordinary income	4	3	7	7	14
Others	Revenue	2	4	7	4	11
	Ordinary income	2	2	4	1	5
Elimination	Revenue	-	-	-	-	-
	Ordinary income	2	△ 5	△ 2	△ 1	△ 4
Consolidated	Revenue	446	494	940	1,005	1,946
	Ordinary income	64	79	144	159	302

Revenues from customers, unconsolidated subsidiaries and affiliated companies.

Key points of FY2008 Full-year Forecast [Consolidated]

【Overall】

Upward revision of initial forecast.

Ordinary income ¥300 billion ⇒ **¥320 billion** (1st half +18, 2nd half +2)

Net income ¥200 billion ⇒ **¥210 billion** (1st half +10, 2nd half +0)

【By segment】 (Ordinary income change from the initial forecast on April 25, 2008)

Bulkships (+¥27 billion)

- **Dry bulkers:** Profit target increased sharply, taking into account strong market conditions during the first half.
- **Tankers:** Profit target revised upward by incorporating strong crude oil tanker market conditions.
- **Car carriers:** Profit forecast reduced slightly due to high bunker prices.

Containerships (+¥3 billion)

Profits expected to decline slightly because efforts toward further cost reduction such as adjustment of fleet capacity and implementation of slow steaming will not offset skyrocketing bunker prices. (average US\$409/MT during FY2007 → average US\$702/MT during FY2008, +72%)

【Dividend】 Plan to pay ¥31 per share (interim ¥15.5 + year-end ¥15.5)

[Supplement]

Major Containership Trades Utilization

(unit: 1000TEU)

Asia-North America Trade (TPS)

			Outbound (E/B)						Inbound (W/B)					
			Capacity		Lifting		Utilization		Capacity		Lifting		Utilization	
FY2007	2nd	4Q												
	half	3Q												
	1st	2Q												
	half	1Q	152		125		82%		148		87		59%	
FY2006	2nd	4Q	139	300	121	265	87%	88%	129	288	78	161	60%	56%
	half	3Q	161	603	144	558	89%	93%	159	582	83	331	52%	57%
	1st	2Q	161	303	155	292	96%	97%	154	293	87	169	56%	58%
	half	1Q	142		138		97%		139		82		59%	

Asia-Europe Trade

			Outbound (W/B)						Inbound (E/B)					
			Capacity		Lifting		Utilization		Capacity		Lifting		Utilization	
FY2007	2nd	4Q												
	half	3Q												
	1st	2Q												
	half	1Q	129		121		94%		127		68		53%	
FY2006	2nd	4Q	125	243	111	222	88%	91%	120	227	64	127	53%	56%
	half	3Q	118	463	111	440	94%	95%	107	436	63	256	58%	59%
	1st	2Q	110	220	109	218	99%	99%	104	209	64	129	62%	62%
	half	1Q	110		109		100%		105		65		62%	

All Trades (Round Voyage)

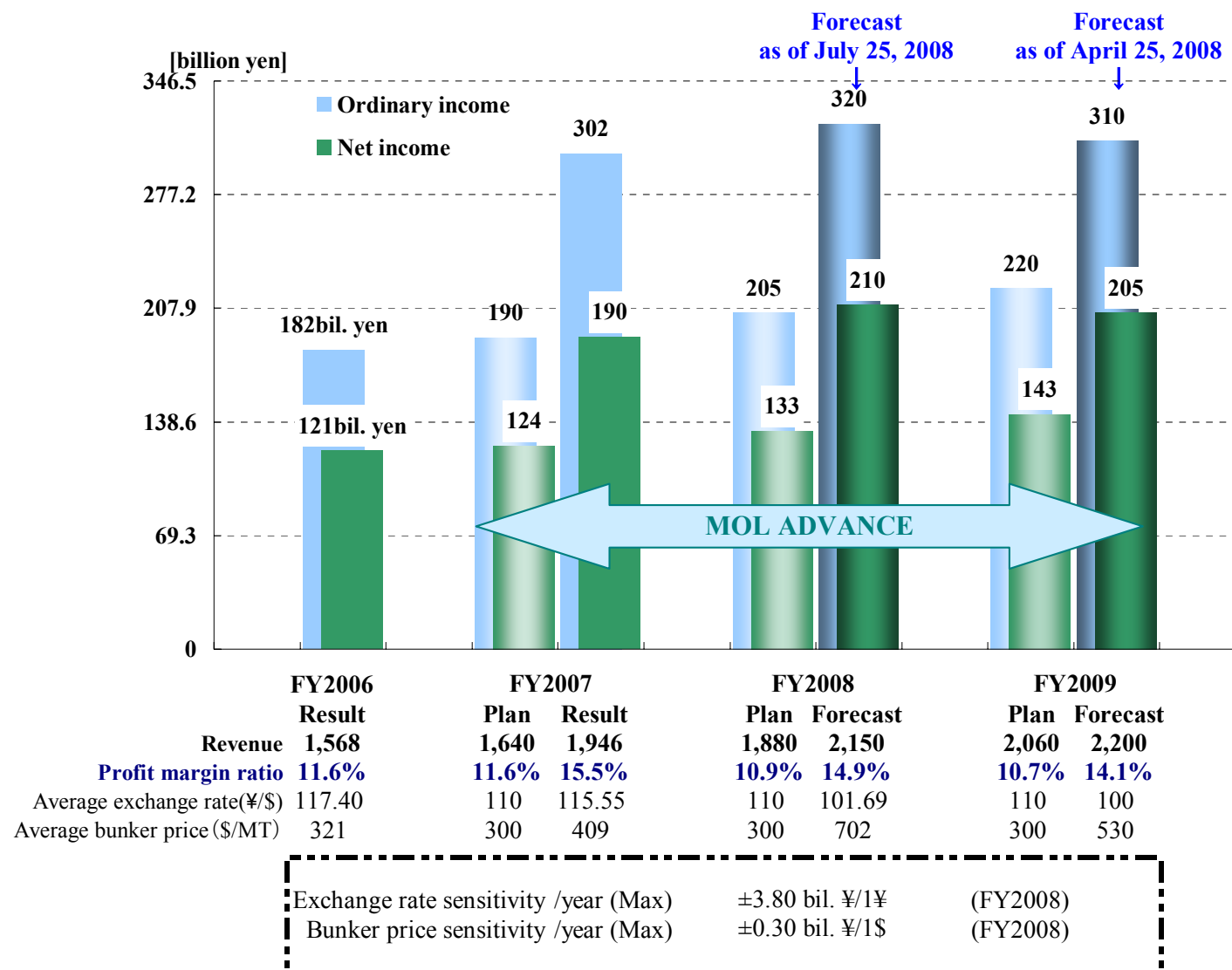
			Capacity		Lifting		Utilization	
FY2007	2nd	4Q						
	half	3Q						
	1st	2Q						
	half	1Q	1,151		866		75%	
FY2006	2nd	4Q	1,073	2,174	788	1,607	73%	74%
	half	3Q	1,101	4,269	819	3,228	74%	76%
	1st	2Q	1,069	2,095	821	1,621	77%	77%
	half	1Q	1,026		800		78%	

Car Carriers Loading Results

(1000 units)

(Voyage Completion basis; including voyage charter)	FY2008					FY2007
			<i>1st Half</i>	<i>2nd Half</i>	<i>(A)+(B)</i>	
	<i>1Q</i>	<i>2Q</i>	<i>Forecast (A)</i>	<i>Forecast (B)</i>		
Total	757	703	1,461	1,609	3,070	2,783

“MOL ADVANCE” Overall Profit Plan

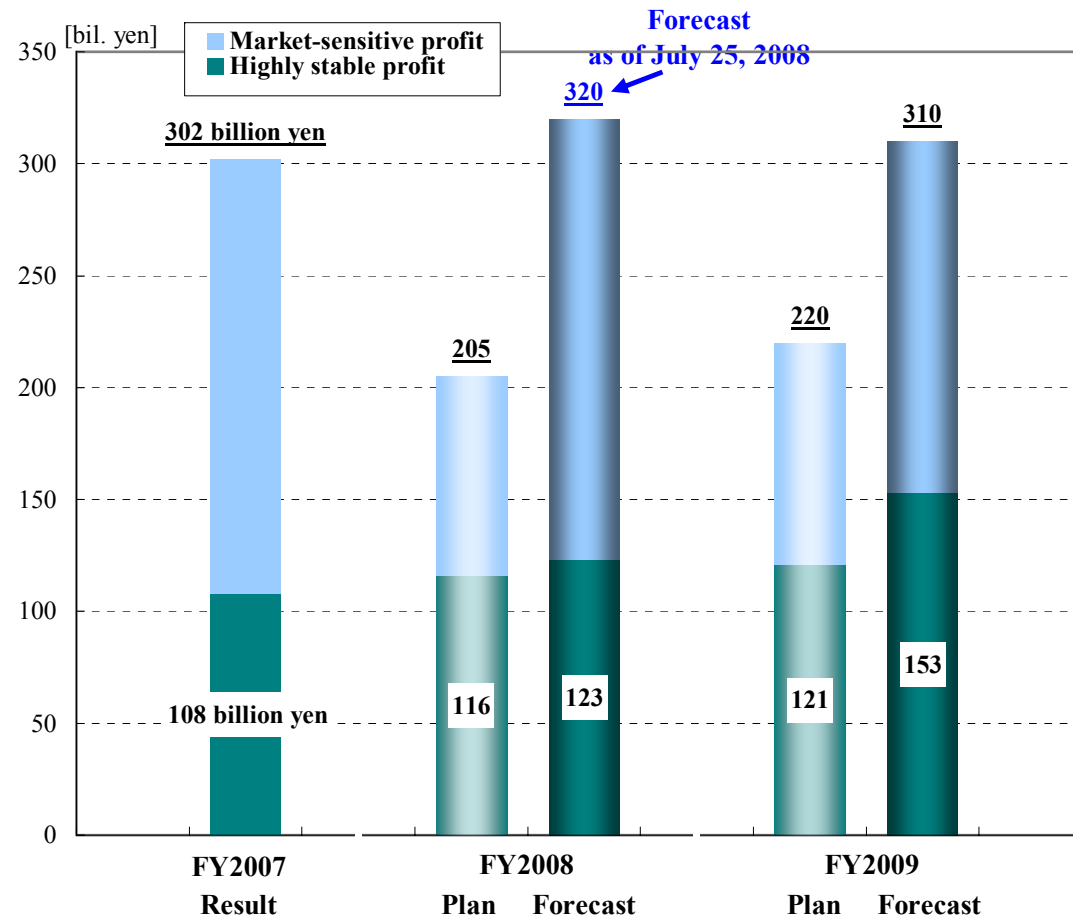


*Plans for FY2007, FY2008 and FY2009 : as of March 22, 2007

*Forecast for FY2008 : as of July 25, 2008 (revise up the forecast as of April 25, 2008)

*Forecast for FY2009 : as of April 25, 2008

Highly Stable Profit



*Highly stable profit (FY2007 result) : as of April 25, 2008

*Plans for FY2008 and FY2009 : as of March 22, 2007

*Forecast for FY2008 : as of July 25, 2008 (except highly stable profit : as of April 25, 2008)

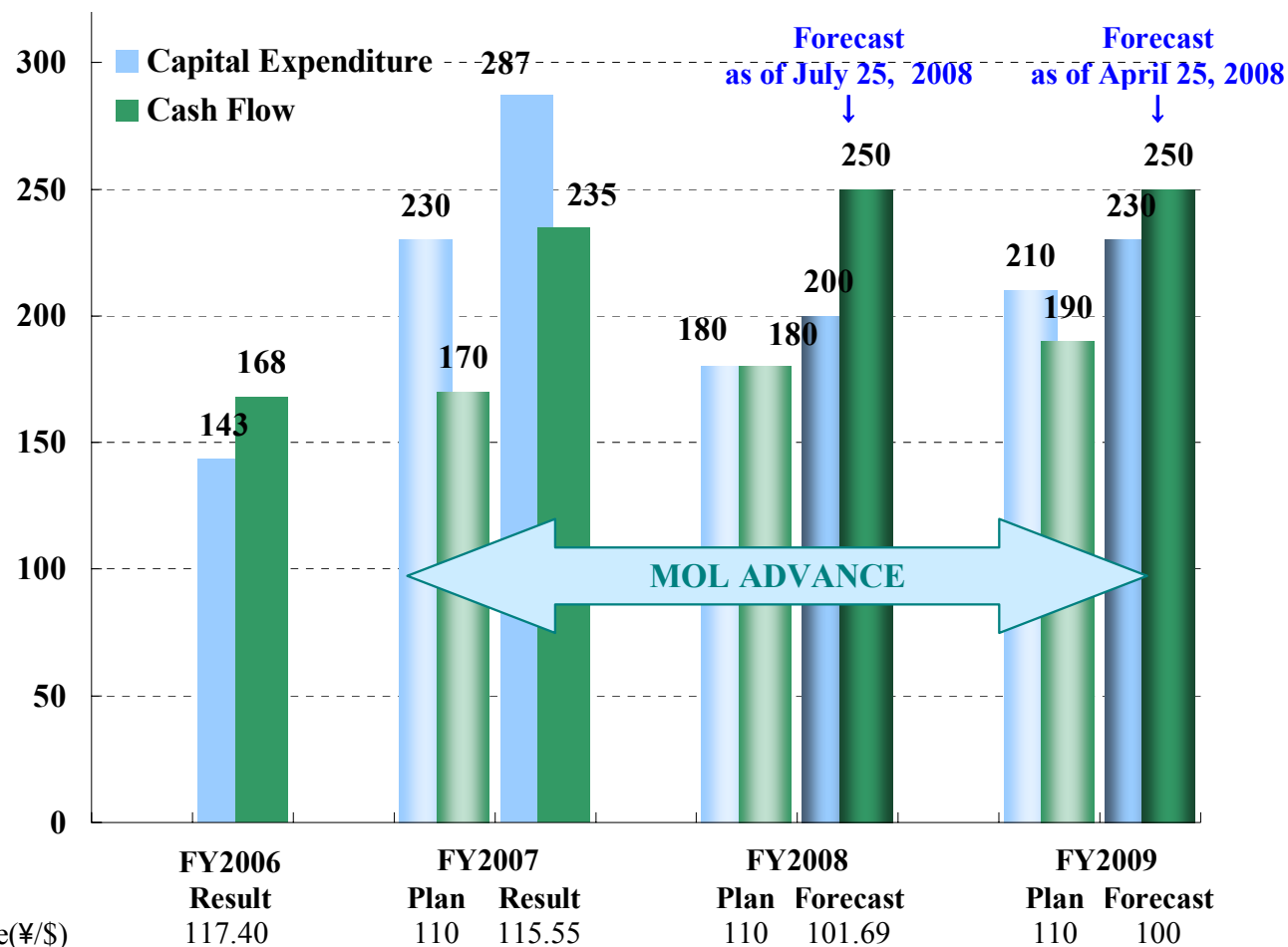
*Forecast for FY2009 : as of April 25, 2008

Highly stable profit = Firm profit through middle and long-term contracts and projected profit from highly stable businesses.

Highly stable profit + Market-sensitive profit = Ordinary income

Cash Flows & Capital Expenditure

[billion yen]



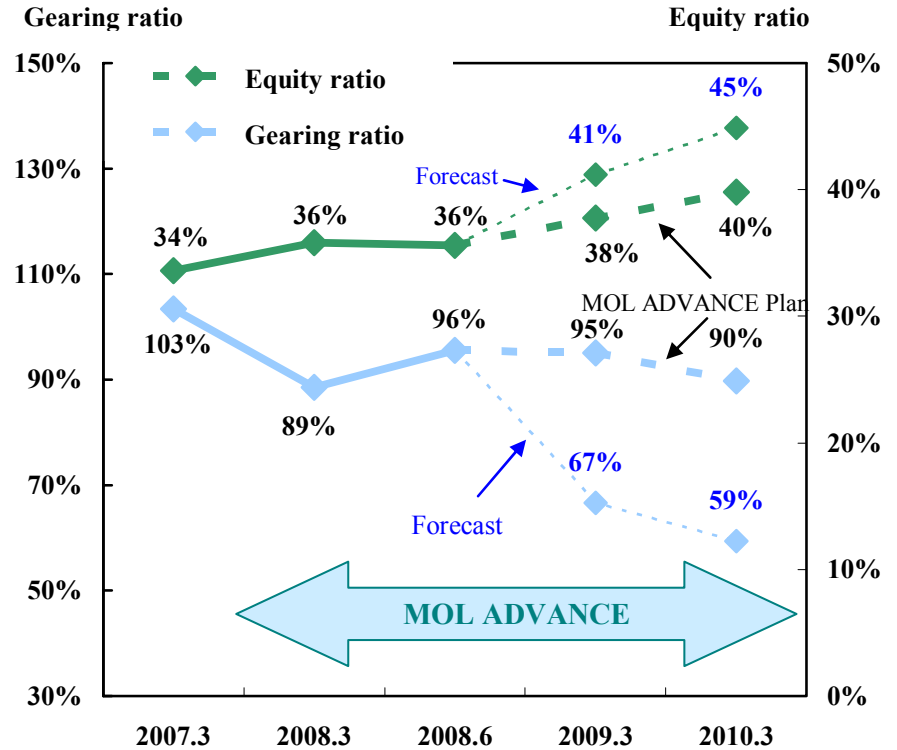
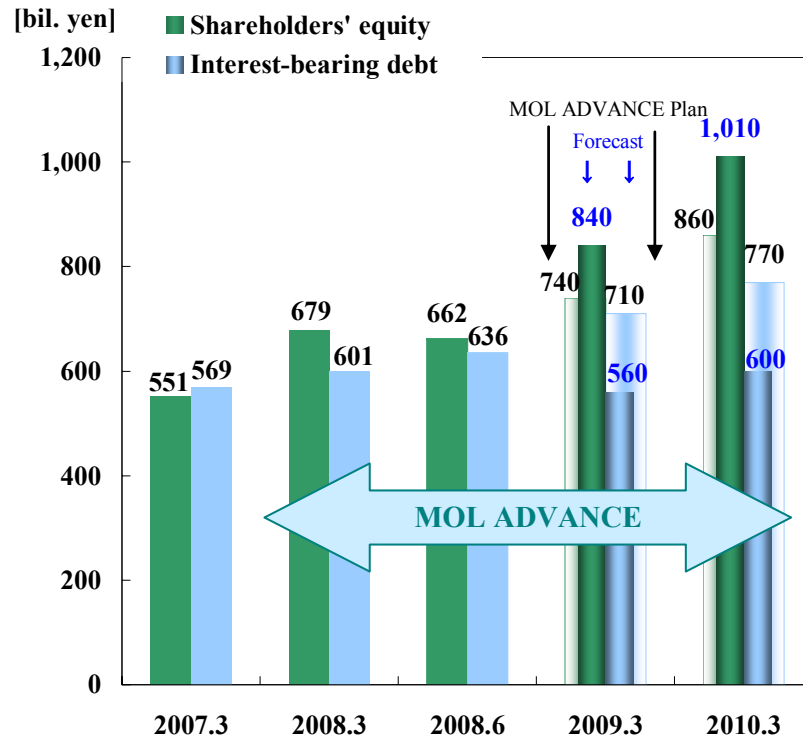
Cash flow = Net income + Depreciation - Dividend

*Plans for FY2007, FY2008 and FY2009 : as of March 22, 2007

*Forecast for FY2008 : as of July 25, 2008

*Forecast for FY2009 : as of April 25, 2008

“MOL ADVANCE” Financial Plan



	2007.3	2008.3	2008.6	2009.3	2010.3
Term-end exchange rate(¥/\$)	Result	Result	Result	Estimate	Estimate
MOL	118.05	115.55	101.74	100	100
Overseas subsidiaries	119.11	114.15	100.19	100	100

Gearing ratio = Interest bearing debt/Shareholders' equity
 Equity ratio = Shareholders' equity/Total Assets

*Plans for the end of FY2008 and FY2009 : as of March 22, 2007
 *Forecast for the end of FY2008 and FY2009 : as of April 25, 2008