



Business Performance
in FY2007
and
Outlook for FY2008

Mitsui O.S.K. Lines, Ltd.

April 2008

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[Supplement]

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FY2007 Results

(billion yen)		FY2007			FY2006 Result	Increase / decrease		FY07 F'cast as of 1/31/'08	Increase /decrease
		Result	1H Result	2H Result					
Revenue	Consolidated	1,946	940	1,005	1,568	+377	+24.1%	1,930	+16
	Non-Consolidated	1,589	764	824	1,244	+345	+27.7%	1,570	+19
Operating income	Consolidated	291	136	155	168	+123	+73.3%	285	+6
	Non-Consolidated	232	109	124	112	+121	+107.9%	223	+9
Ordinary income	Consolidated	302	144	159	182	+120	+65.6%	300	+2
	Non-Consolidated	260	116	144	129	+131	+101.7%	253	+7
Net income	Consolidated	190	87	104	121	+69	+57.4%	190	+0
	Non-Consolidated	173	77	96	81	+92	+113.1%	166	+7
Average exchange rate		¥115.55/\$	¥119.75/\$	¥111.35/\$	¥117.40/\$	△¥1.85/\$		¥114.74/\$	+¥0.81/\$
Average bunker price		\$409/MT	\$354/MT	\$464/MT	\$321/MT	+\$88/MT		\$407/MT	+\$2/MT
						△32.6bil. yen		+2.0bil yen	
						↑		↑	
						△6.1bil. yen		+2.7bil yen	
						△26.4bil. yen		△0.6bil. yen	

FY2007 Ex. Rate sensitivity/year	±3.30 bil. ¥/1¥	(Max)
FY2007 Bunker price sensitivity/year (Consolidated Ordinary Income Basis)	±0.30 bil. ¥/1\$	(Max)

Consolidated Segment Information

(billion yen)		FY2007			FY2006	Increase / decrease		FY07 F'cast as of 1/31/'08	Increase /decrease
		Result	1H Result	2H Result	Result				
Bulkships	Revenue	1,025	483	542	787	+238	+30.2%	1,010	+15
	Ordinary income	278	126	152	164	+114	+69.7%	274	+4
Containerships	Revenue	687	343	344	569	+118	+20.8%	684	+3
	Ordinary income	7	8	△1	3	+4	+118.5%	7	△0
Logistics	Revenue	61	30	32	56	+6	+10.2%	63	△1
	Ordinary income	2	1	1	2	△0	△1.8%	2	△0
Ferry& domestic transport	Revenue	53	26	27	50	+3	+6.5%	54	△0
	Ordinary income	0	1	△0	0	+0	+0.0%	1	△0
Associated businesses	Revenue	109	53	56	100	+9	+9.2%	109	△0
	Ordinary income	14	7	7	13	+1	+5.7%	13	+1
Others	Revenue	11	7	4	8	+3	+40.9%	11	△0
	Ordinary income	5	4	1	3	+2	+65.4%	6	△1
Elimination	Revenue	-	-	-	-	-	-	-	-
	Ordinary income	△4	△2	△1	△3	△1	△43.8%	△3	△1
Consolidated	Revenue	1,946	940	1,005	1,568	+377	+24.1%	1,930	+16
	Ordinary income	302	144	159	182	+120	+65.6%	300	+2

* "Revenue" = Revenues from customers, unconsolidated subsidiaries and affiliated companies

Highlights of FY2007 Results

[Overall] (Comparison with FY2006)

Revenue : ¥1,945.7 bil. +24%, increase of ¥377.3 bil.

Ordinary income : ¥302.2 bil. +66%, increase of ¥119.7 bil.

Net income : ¥190.3 bil. +57%, increase of ¥69.4 bil.

- Revenue increased for 9 consecutive years
- Ordinary income increased for 5 consecutive years. Capitalized on expanding demand for resource transport while bunker price was rising (+27%, \$407/MT ← \$321/MT), and achieved a great increase of ordinary income.
- Net income increased for 6 consecutive years
- Dividend increased for 5 consecutive years——Year-end dividend: ¥17 per share (←latest plan: ¥16)

Annual dividend: ¥31 per share including ¥14 interim (cf. ¥20 for FY2006)

[By segment]

Bulkships

Dry bulkers : Profit rose sharply ← Responded swiftly to higher demand for resource transport, and reaped benefits of market upturn.

Tankers : Profit declined ← Product / chemical tankers markets were steady, but crude oil tanker market remained slack. This could not cover higher bunker prices and other costs.

LNG carriers : Profit declined slightly. ← Changed depreciation method, etc.

Car carriers : Profit declined slightly. ← Rise in bunker prices and cost increase due to fleet shortage.

Containerships

Seaborne trade on major routes except Asia-North America was strong, freight rates also increased.

However, rise in bunker prices weighed down earnings recovery.

Results Comparison FY2007 vs FY2006

Major factors affected Revenue & Ordinary income

● Revenue

(Non-Consolidated; billion yen)

Stronger yen	Δ¥22.2 bil.	(Δ20.1)	
Fluctuation of cargo volume/freight rates, etc.	+¥386.8 bil.	(+355.6)	
Others	+¥12.7 bil.	(+9.3)	
(Total)	+¥377.3 bil.	(+344.6)	

● Ordinary income

(Non-Consolidated; billion yen)

Stronger yen	Δ¥6.1 bil.	(Δ5.6)	<small>(FY07 ¥115.55/\$; -¥1.85/\$)</small>
Higher bunker	Δ¥26.4 bil.	(Δ17.7)	<small>(FY07 \$409/MT; +\$88/MT)</small>
Fluctuation of cargo volume/freight rates, etc.	+¥145.4 bil.	(+132.2)	
Cost Reduction	+12.2 bil.	(+11.3)	
Equity in earnings of affiliated companies	+¥2.0 bil.	(0)	
Others (incl. Elimination)	Δ¥7.4bil.	(+11.0)	
(Balance)	+¥119.7 bil.	(+131.2)	

FY2008 Forecast

(billion yen)		FY2008	FY2007	Increase / decrease		FY2008 1H	FY2007 1H	Increase / decrease	
Revenue	Consolidated	2,050	1,946	+104	+5.4%	1,010	940	+70	+7.4%
	Non-Consolidated	1,700	1,589	+111	+7.0%	830	764	+66	+8.6%
Operating income	Consolidated	280	291	△11	△3.9%	140	136	+4	+2.9%
	Non-Consolidated	230	232	△2	△1.0%	112	109	+3	+3.2%
Ordinary income	Consolidated	300	302	△2	△0.7%	152	144	+8	+5.8%
	Non-Consolidated	250	260	△10	△3.9%	124	116	+8	+7.1%
Net income	Consolidated	200	190	+10	+5.1%	104	87	+17	+20.0%
	Non-Consolidated	160	173	△13	△7.7%	80	77	+3	+3.9%

Average exchange rate

¥100.00/\$

¥115.55/\$

△¥15.55/\$

¥100.00/\$

¥119.75/\$

△¥19.75/\$

Average bunker price

\$530/MT

\$409/MT

+\$121/MT

\$530/MT

\$354/MT

+\$176/MT

△95.3bil. yen

△63.9bil. yen

↑

↑

△59.1bil. yen

△75.1bil. yen x 1/2

△36.3bil. yen

△52.8bil. yen x 1/2

FY2008 Ex. Rate sensitivity/year ±3.80 bil. ¥/1¥ (Max)

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

(Consolidated Ordinary Income Basis)

Consolidated Segment Forecast

(billion yen)		FY2008	FY2007	Increase / decrease		FY2008 1H	FY2007 1H	Increase / decrease	
Bulkships	Revenue	1,050	1,025	+25	+2.5%	506	483	+23	+4.8%
	Ordinary income	265	278	△13	△4.5%	132	126	+6	+4.8%
Containerships	Revenue	750	687	+63	+9.2%	380	343	+37	+10.9%
	Ordinary income	10	7	+3	+45.3%	7	8	△1	△11.3%
Logistics	Revenue	73	61	+12	+19.2%	35	30	+5	+18.1%
	Ordinary income	3	2	+1	+26.4%	1	1	+0	+18.4%
Ferry& domestic transport	Revenue	60	53	+7	+13.0%	30	26	+4	+16.3%
	Ordinary income	2	0	+2	+362.8%	1	1	+0	+67.9%
Associated businesses	Revenue	107	109	△2	△1.7%	54	53	+1	+2.3%
	Ordinary income	13	14	△1	△8.8%	6	7	△0	△5.6%
Others	Revenue	10	11	△1	△8.0%	5	7	△2	△23.7%
	Ordinary income	3	5	△2	△46.1%	1	4	△3	△71.6%
Elimination	Revenue	-	-	-	-	-	-	-	-
	Ordinary income	5	△4	+8		4	△2	+6	
Consolidated	Revenue	2,050	1,946	+104	+5.4%	1,010	940	+70	+7.4%
	Ordinary income	300	302	△2	△0.7%	152	144	+8	+5.8%

* "Revenue" = Revenues from customers, unconsolidated subsidiaries and affiliated companies

Outline of FY2008 Forecast

[Overall] (Comparison with FY2007)

Revenue	: ¥2,050 bil. (+¥104.3 bil.)
Ordinary income	: ¥ 300 bil. (-¥2.2 bil.)
Net income	: ¥200 bil. (+¥9.7 bil.)

Targeting over ¥300 billion of ordinary income for FY2008, under a severe climate of yen appreciation and ongoing rise in bunker prices

- Expanding fleet:
 - New launch plan (FY2008) . . . Total 85 vessels (7 mil. dwt)
24 dry bulkers, 23 tankers, 13 LNG carriers, 14 car carriers, 11 containerships
(cf. Fleet as of Mar. 31, 2008 : 874 vessels, 57 mil. dwt)
- Increase freight rate for containerships
- Cost reduction target: ¥21 billion

Annual dividend plan: ¥31 per share (← interim ¥15.5 + year-end ¥15.5) (cf. ¥31 for FY2007)

[By segment]

Bulkships

Dry bulkers : Increase profits in each division backed by fleet expansion.

Tankers : Crude oil tanker market is expected to improve.

LNG carriers: Ensure stable profits.

Car carriers : Our fleet expansion will meet strong demand

Containerships

Overcome disadvantages from yen appreciation and steep rise in bunker prices by increasing liftings and freight rates while reducing costs.

[Supplement]

Major Containership Trades Utilization Forecast

Asia-North America Trade (TPS)

(unit: 1000TEU)

		Outbound (E/B)						Inbound (W/B)					
		Capacity		Lifting		Utilization		Capacity		Lifting		Utilization	
FY2008	2nd half	360	705	321	655	89%	93%	362	702	173	356	48%	51%
	1st half	345		333		97%		340		183		54%	
FY2007	2nd 4Q	139	300	121	265	87%	88%	129	288	78	161	60%	56%
	half 3Q	161		144		89%		159		83		52%	
	1st 2Q	161	603	155	558	96%	93%	154	582	87	331	56%	57%
	half 1Q	142	303	138	292	97%	97%	139	293	82	169	59%	58%
FY2006	2nd 4Q	129	263	114	230	88%	87%	131	266	77	149	59%	56%
	half 3Q	134		116		86%		135		72		53%	
	1st 2Q	150	547	142	492	95%	90%	147	546	67	284	46%	52%
	half 1Q	134	284	120	263	89%	92%	133	280	67	134	50%	48%

Asia-Europe Trade

		Outbound (E/B)						Inbound (W/B)					
		Capacity		Lifting		Utilization		Capacity		Lifting		Utilization	
FY2008	2nd half	269	543	250	511	93%	94%	269	546	150	307	56%	56%
	1st half	275		261		95%		277		156		56%	
FY2007	2nd 4Q	125	243	111	222	88%	91%	120	227	64	127	53%	56%
	half 3Q	118		111		94%		107		63		58%	
	1st 2Q	110	463	109	440	99%	95%	104	436	64	256	62%	59%
	half 1Q	110	220	109	218	100%	99%	105	209	65	129	62%	62%
FY2006	2nd 4Q	109	209	107	206	98%	99%	102	202	61	117	60%	58%
	half 3Q	100		99		100%		100		56		56%	
	1st 2Q	117	426	113	413	97%	97%	108	406	56	230	52%	57%
	half 1Q	100	217	94	207	94%	95%	96	203	57	113	59%	56%

All Trades (Round Voyage)

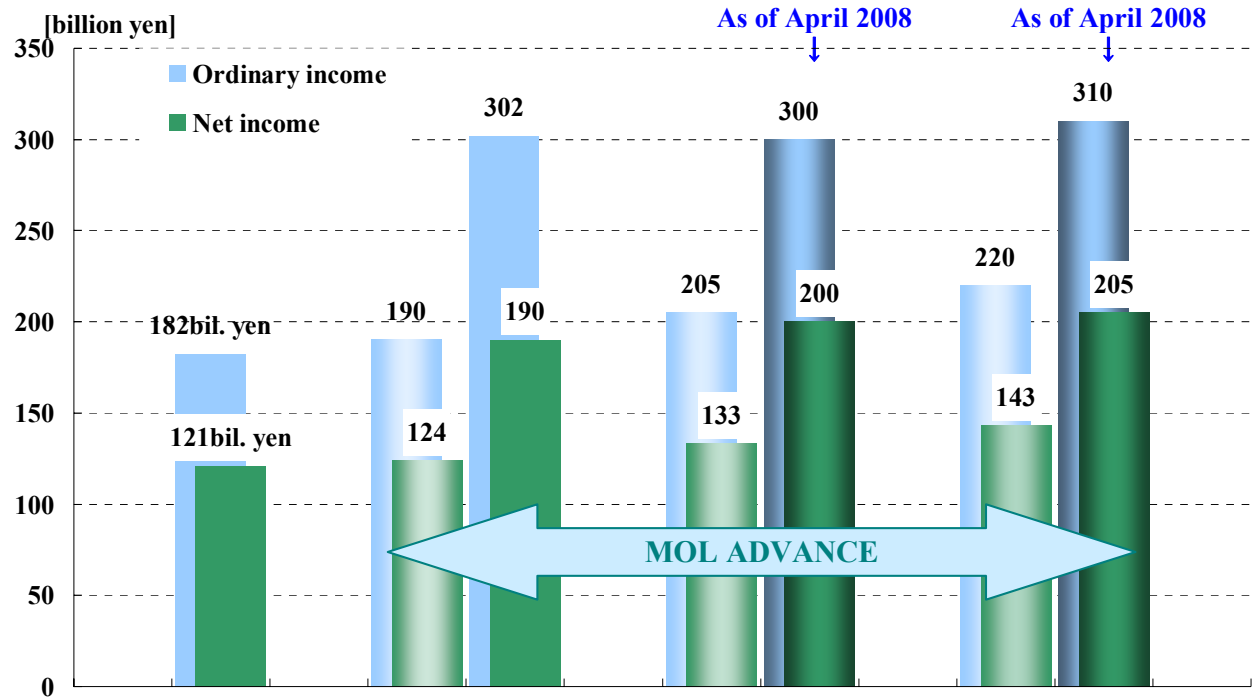
		Capacity		Lifting		Utilization	
FY2008	2nd half	2,460	4,903	1,813	3,670	74%	75%
	1st half	2,443		1,857		76%	
FY2007	2nd 4Q	1,073	2,174	788	1,607	73%	74%
	half 3Q	1,101		819		74%	
	1st 2Q	1,069	4,269	821	3,228	77%	76%
	half 1Q	1,026	2,095	800	1,621	78%	77%
FY2006	2nd 4Q	957	1,914	719	1,428	75%	75%
	half 3Q	957		710		74%	
	1st 2Q	1,018	3,828	757	2,850	74%	74%
	half 1Q	896	1,914	665	1,422	74%	74%

Car Carriers Loading Results

(1000 units)

(Voyage Completion basis; including voyage charter)	FY2008-1H Forecast	FY2007			FY2006	Increase/ decrease (A)-(B)
		1st Half	2nd Half	Yearly result (A)	Yearly result (B)	
Far East/Souteast Asia → North America	431	320	405	726	677	+48
Far East/Souteast Asia → Europe	249	233	281	514	497	+17
Far East/Souteast Asia → Other area	350	333	368	702	604	+98
Cross trades/Import	461	422	421	843	891	△49
Total	1,490	1,308	1,475	2,783	2,670	+114

“MOL ADVANCE” Overall Profit Plan

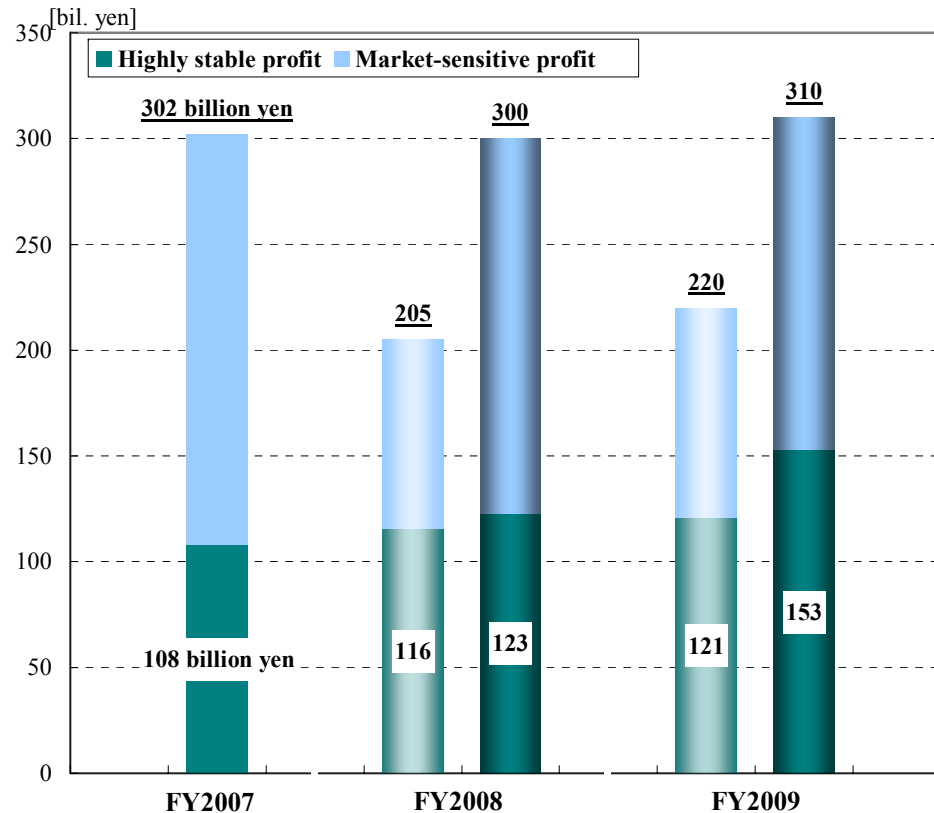


	FY2006		FY2007		FY2008		FY2009	
	Result	Plan	Result	Plan	Forecast	Plan	Forecast	
Revenue	1,568	1,640	1,946	1,880	2,050	2,060	2,200	
Profit margin ratio	11.6%	11.6%	15.5%	10.9%	14.6%	10.7%	14.1%	
Average exchange rate(¥/\$)	117.40	110	115.55	110	100	110	100	
Average bunker price (\$/MT)	321	300	409	300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

Exchange rate sensitivity /year (Max)	±3.80 bil. ¥/1¥	(FY2008)
Bunker price sensitivity /year (Max)	±0.3 bil. yen/1\$	(FY2008)

Plans : as of March 2007

Highly Stable Profit



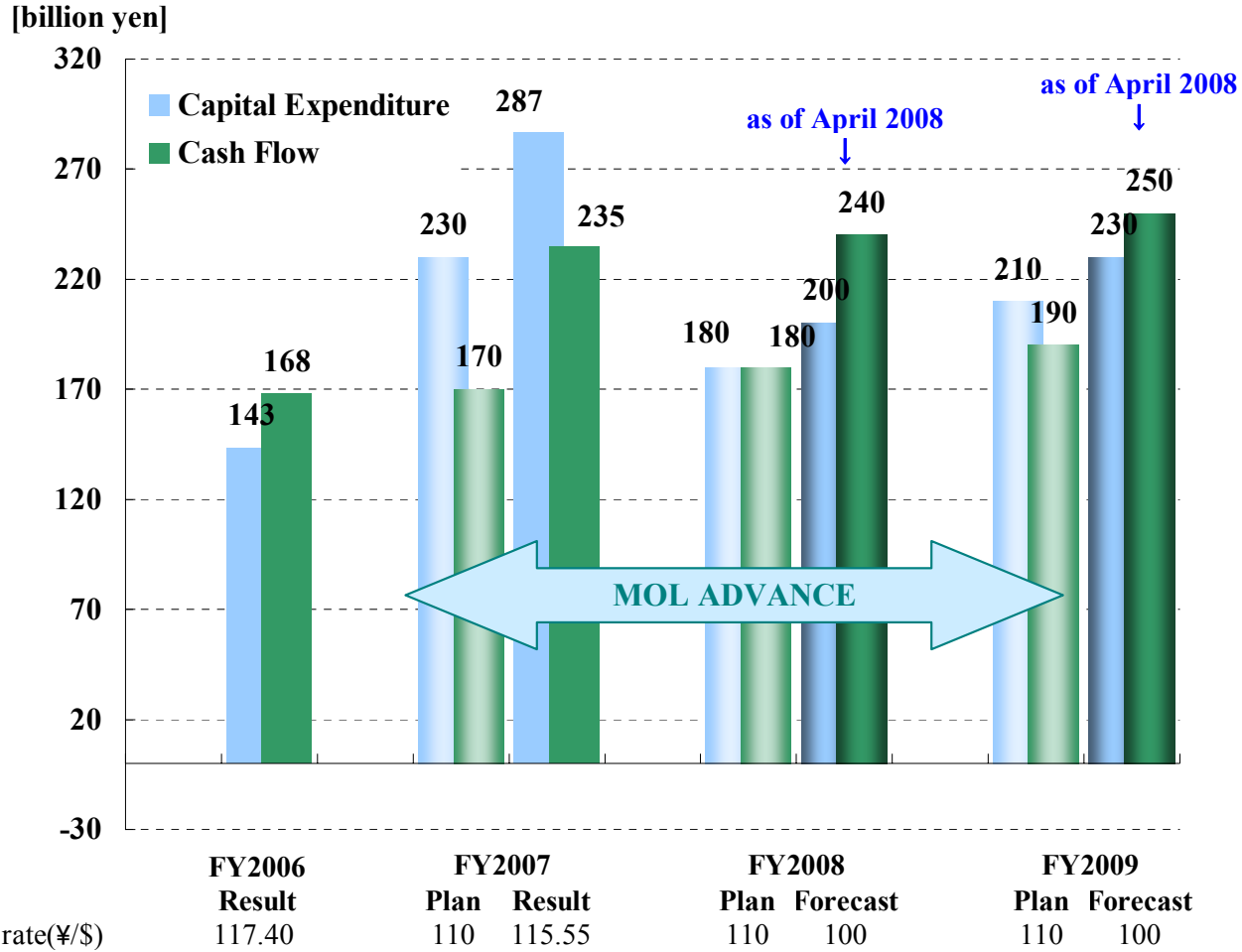
Av. Ex. Rate(¥/\$)
Av. Bunker Price(\$/MT)

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

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

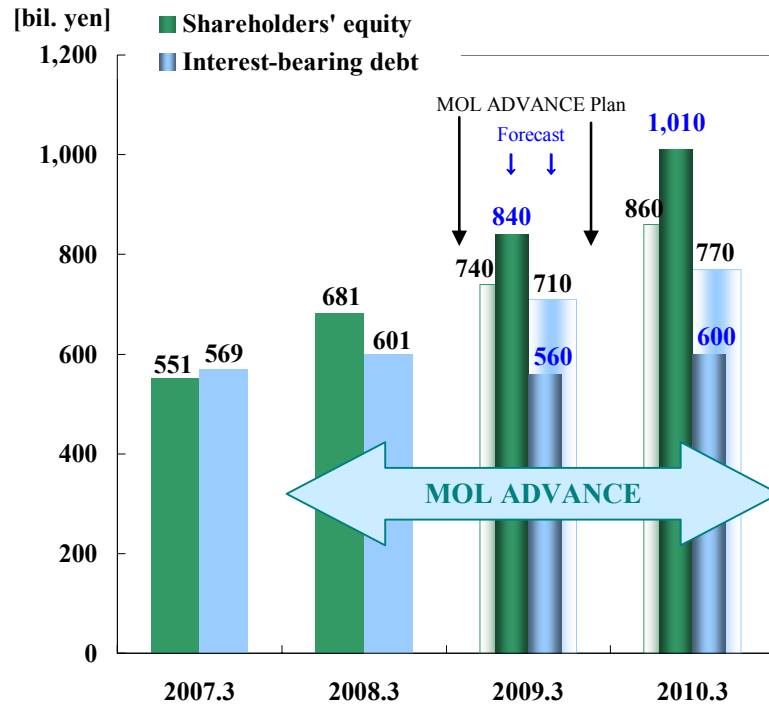
Cash Flows & Capital Expenditure



Cash flow = Net income + Depreciation - Dividend

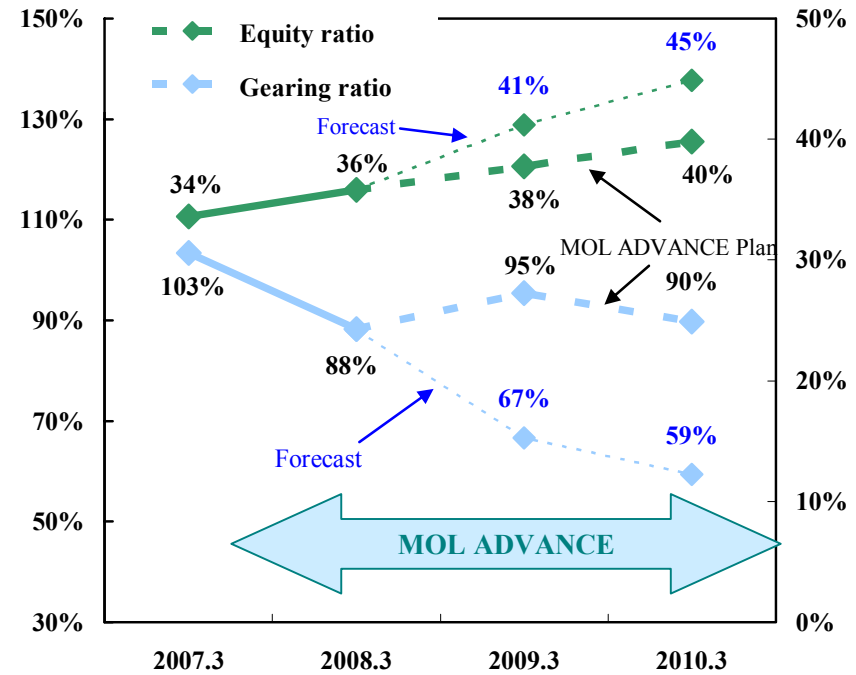
Plans : as of March 2007

“MOL ADVANCE” Financial Plan



Gearing ratio

Equity ratio



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

Forecast = as of April 2008

Gearing ratio = Interest bearing debt/Shareholders' equity

Equity ratio = Shareholders' equity/Total Assets

Forecast = as of April 2008

“MOL ADVANCE” Fleet Expansion Plan

			MOL ADVANCE (FY2007 - FY2009)			(FY2010 - FY2012)		
		Fleet scale at the end of March 2008 (Actual)	Ships to join MOL fleet (Ordered)			Fleet scale at the end of March 2010 (Plan)	Ships to join MOL fleet (Plan)	Fleet scale at the end of March 2013 (Target)
			FY2008	FY2009	FY2008 - FY2009		FY2010 - FY2012	
Bulkships	No. of vessels	693	→			800	→	950
	New vessel launching		74	65	139		158	
	Dry Bulkers	364	→			400		
	New vessel launching		24	21	45			
	Tankers	166	→			200		
	New vessel launching		23	30	53			
	LNG Carriers	60	→			80		
	New vessel launching		13	4	17			
	Car Carriers	103	→			120		
	New vessel launching		14	10	24			
Containerships	No. of vessels	130	→			150	→	190
	Capacity ['000 TEU]	4,269				6,420		
	New vessel launching		11	9	20	34		
Others	No. of vessels	51	→			50	→	60
	New vessel launching		0	1	1	3		
Total	No. of vessels	874	→			1,000	→	1,200
	New vessel launching		85	75	160	195		

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

2)Numbers of vessels to join MOL fleet include those owned by joint ventures.

3)Capacity = Total slots on containerships during FY2006 and FY2009, respectively.