



Business Performance
in
FY2007-1st Half

Mitsui O.S.K. Lines, Ltd.

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Contents

FY2007 1 st Half Results	2
Consolidated Segment Information	3
Highlights of FY2007 1 st Half Results	4
Results Comparison FY2007-1H vs FY2006-1H	5
FY2007 Forecast	6
Consolidated Segment Forecast	7
Outline of FY2007 Forecast	8

[Supplement]

Major Containership Trades Utilization	10
Car Carrier Loading Results	11
“MOL ADVANCE” Overall Profit Plan	12
Cash Flow & Capital Expenditure	13
“MOL ADVANCE” Financial Plan	14

FY2007 1st Half Results

(billion yen)		FY2007			FY2006 1H Result	Increase/ decrease	1H Forecast as of 7/27/07	Increase/ decrease
		1Q Result	2Q Result	1H Result				
Revenue	Consolidated	446	494	940	760	+181	912	+28
	Non-Consolidated	360	404	764	598	+166	740	+24
Operating income	Consolidated	59	77	136	73	+63	110	+26
	Non-Consolidated	46	62	109	47	+61	85	+24
Ordinary income	Consolidated	64	79	144	78	+65	124	+20
	Non-Consolidated	56	60	116	53	+63	100	+16
Net income	Consolidated	34	53	87	48	+39	80	+7
	Non-Consolidated	38	39	77	34	+43	68	+9

Average exchange rate	¥119.32/\$	¥120.17/\$	¥119.75/\$	¥115.83/\$	+¥3.92/\$	¥120.01/\$	△¥0.26/\$
Average bunker price	\$331/MT	\$377/MT	\$354/MT	\$339/MT	+\$15/MT	\$361/MT	△\$7/MT

Ordinary income **+4.2 bil. ¥** **Ordinary income** **+0.5 bil. ¥**



(Ex. Rate)	+12.9 bil. ¥ x 1/2	(Ex. Rate)	△0.9 bil. ¥ x 1/2
(Bunker)	△4.5 bil. ¥ x 1/2	(Bunker)	+2.0 bil. ¥ x 1/2

(For reference)

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

Consolidated Segment Information

(billion yen)		FY2007			FY2006	Increase/ decrease	<i>1H Forecast as of 7/27/07</i>	<i>Increase/ decrease</i>
		1Q Result	2Q Result	1H Result	1H Result			
Bulkships	Revenue	229	254	483	375	+108	460	+23
	Ordinary income	56	70	126	71	+55	110	+16
Containerships	Revenue	162	180	343	278	+65	340	+3
	Ordinary income	1	7	8	△ 1	+9	7	+1
Logistics	Revenue	14	15	30	27	+2	30	△ 0
	Ordinary income	0	1	1	1	+0	1	+0
Ferry & domestic transport	Revenue	13	13	26	26	0	27	△ 1
	Ordinary income	△ 0	1	1	0	+0	△ 0	+1
Associated businesses	Revenue	26	27	53	50	+3	51	+2
	Ordinary income	4	3	7	6	+0	7	+0
Others	Revenue	2	4	7	4	+3	4	+3
	Ordinary income	2	2	4	2	+2	3	+1
Elimination	Revenue	-	-	-	-	-	-	-
	Ordinary income	2	△ 5	△ 2	△ 0	△ 2	△ 3	+1
Consolidated	Revenue	446	494	940	760	+181	912	+28
	Ordinary income	64	79	144	78	+65	124	+20

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

Highlights of FY2007 1st Half Results

➤ Overall

Revenue ¥940.3 bil. (+24%, increase of ¥180.8 bil.)

Ordinary income ¥143.6 bil. (+83%, increase of ¥65.2 bil.)

* Large increase in revenue and income over FY2006 1st half

* Profits greatly exceeded initial projections thanks to upswing in dry bulker market
(+ ¥ 39.6 bil. from the beginning, + ¥ 19.6 bil. from 1st Qtr of FY2007)

➤ By segment

Bulkships: (+¥55.3 bil.)

[Dry bulkers] Strong market growth and fleet expansion contributed to higher income.

[Tankers] VLCC market remained weak, product tanker market brisk, and chemical tankers enjoyed a favorable market.

[Car carriers] Steady shipment volume

Containerships: (+¥ 8.9 bil.)

Asia-North America route eastbound voyages:

Efficient arrangement by adjusting vessel supply, some effect from freight rate renewal negotiations in May.

Asia-Europe route westbound voyages:

Freight rate recovery continued, backed by strong cargo liftings

➤ Other

Dividend : Interim payment ¥14 per share

Gearing ratio : reduced to below 1.0

Results Comparison FY2007-1H vs FY2006-1H

Major factors affected Revenue & Ordinary income

● Revenue

(Non-Consolidated; billion yen)

Weaker yen	+¥23.5 bil.	(+21.6)	
Fluctuation of cargo volume/freight rates, etc.	+¥155.5 bil.	(+142.8)	
Others	+¥1.7 bil.	(+1.7)	
(Total)	+¥180.8 bil.	(+166.0)	

● Ordinary income

(Non-Consolidated; billion yen)

Weaker yen	+¥6.5 bil.	(+5.9)	(FY07-1H ¥119.75/\$; +¥3.92/\$)
Higher bunker	△¥2.3 bil.	(△1.6)	(FY07-1H \$354/MT; +\$15/MT)
Fluctuation of cargo volume/freight rates, etc.	+¥54.3 bil.	(+51.5)	
Cost Reduction	+5.2 bil.	(+4.7)	
Equity in earnings of affiliated companies	+¥4.0 bil.	(0)	
Others (incl. Elimination)	△¥2.4 bil.	(+2.1)	
(Balance)	+¥65.2 bil.	(+62.6)	

FY2007 Forecast

(billion yen)		FY2007		Yearly forecast	FY2006 Result	Increase/ decrease	1H Forecast as of 7/27/07	Increase/ decrease
		1H Result	2H Forecast					
Revenue	Consolidated	940	980	1,920	1,568	+352	1,830	+90
	Non-Consolidated	764	806	1,570	1,244	+326	1,480	+90
Operating income	Consolidated	136	134	270	168	+102	210	+60
	Non-Consolidated	109	106	215	112	+103	160	+55
Ordinary income	Consolidated	144	136	280	182	+98	230	+50
	Non-Consolidated	116	114	230	129	+101	185	+45
Net income	Consolidated	87	98	185	121	+64	145	+40
	Non-Consolidated	77	78	155	81	+74	124	+31

Average exchange rate	¥119.75/\$	¥110.00/\$	¥114.88/\$	¥117.40/\$	△¥2.53/\$	¥118.76/\$	△¥3.88/\$
Average bunker price	¥354.00/\$	\$440/MT	\$397/MT	\$321/MT	+\$76/MT	\$375/MT	+\$22/MT

Ordinary income	△31.1 bil. ¥	↑		Ordinary income	△19.3 bil. ¥	↑
(Ex. Rate)	△8.3 bil. ¥			(Ex. Rate)	△12.8 bil. ¥	
(Bunker)	△22.8 bil. ¥			(Bunker)	△6.5 bil. ¥	

(For reference)

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

Consolidated Segment Forecast

(billion yen)		FY2007		Yearly forecast	FY2006 Result	Increase/ decrease	<i>1H Forecast as of 7/27/07</i>	<i>Increase/ decrease</i>
		1H Result	2H Forecast					
Bulkships	Revenue	483	517	1,000	787	+213	920	+80
	Ordinary income	126	129	255	164	+91	209	+46
Containerships	Revenue	343	345	688	569	+119	682	+6
	Ordinary income	8	2	10	3	+7	10	+0
Logistics	Revenue	30	34	64	56	+8	66	△2
	Ordinary income	1	2	3	2	+0	2	+0
Ferry & domestic transport	Revenue	26	27	53	50	+3	52	+1
	Ordinary income	1	△1	0	0	0	1	△1
Associated businesses	Revenue	53	52	105	100	+5	102	+3
	Ordinary income	7	6	13	13	△0	13	+0
Others	Revenue	7	4	10	8	+2	8	+2
	Ordinary income	4	1	5	3	+2	4	+1
Elimination	Revenue	-	-	-	-	-	-	-
	Ordinary income	△2	△3	△6	△3	△3	△9	+3
Consolidated	Revenue	940	980	1,920	1,568	+352	1,830	+90
	Ordinary income	144	136	280	182	+98	230	+50

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

Outline of FY2007 Forecast

➤ **Overall** (Comparison with the previous FY2007 forecast as of July 27)

Large upward revision of announced forecasts again

	as of Apr.27	as of July 27	as of Oct. 30
Ordinary Income	¥200bil. →	¥230bil. →	¥280bil. (1H +19.6, 2H +30.4)
Net Income	¥130bil. →	¥145bil. →	¥185bil. (1H +6.6, 2H +33.4)

*Exchange rate used: ¥110/US\$, bunker price: \$440/MT for the 2nd half

- The following achievements are within possibility:
revenue increase for nine consecutive years, ordinary income increase for five consecutive years, and net income increase for six consecutive years

➤ **By segment**

Bulkships: (+¥46 bil.)

[Dry bulkers] Large upward revision based on projections for strong market conditions in the second half

[Tankers] Downward revision in light of sagging VLCC market

[Car carriers] Active trade will continue as forecast at the beginning of the year

Containerships: (+/-¥0 bil.)

Outbound voyages on the key east-west route are expected to remain strong both in cargo liftings and freight rates, but recovery of profits will be slow due to increases in various costs including bunker prices.

➤ **Other**

**Dividend: Plan annual dividend of ¥28 per share (interim ¥14 + year-end ¥14).
(¥8 increase)**

[Supplement]

Major Containership Trades Utilization Forecast

(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	161		155		96%		154		87		56%	
	half	1Q	142	303	138	292	97%	97%	139	293	82	169	59%	58%
FY2006	2nd	4Q	129		114		88%		131		77		59%	
	half	3Q	134		116		86%		135		72		53%	
		1st	150		142		95%		147		67		46%	
		half	134		120		89%		133		67		50%	
				547		492		90%		546		284		52%

Asia-Europe Trade

			Outbound (W/B)						Inbound (E/B)					
			Capacity		Lifting		Utilization		Capacity		Lifting		Utilization	
FY2007	2nd	4Q												
	half	3Q												
	1st	2Q	110		109		99%		104		64		62%	
	half	1Q	110	220	109	218	100%	99%	105	209	65	129	62%	62%
FY2006	2nd	4Q	109		107		98%		102		61		60%	
	half	3Q	100		99		100%		100		56		56%	
		1st	117		113		97%		108		56		52%	
		half	100		94		94%		96		57		59%	
				426		413		97%		406		230		57%

All Trades (Round Voyage)

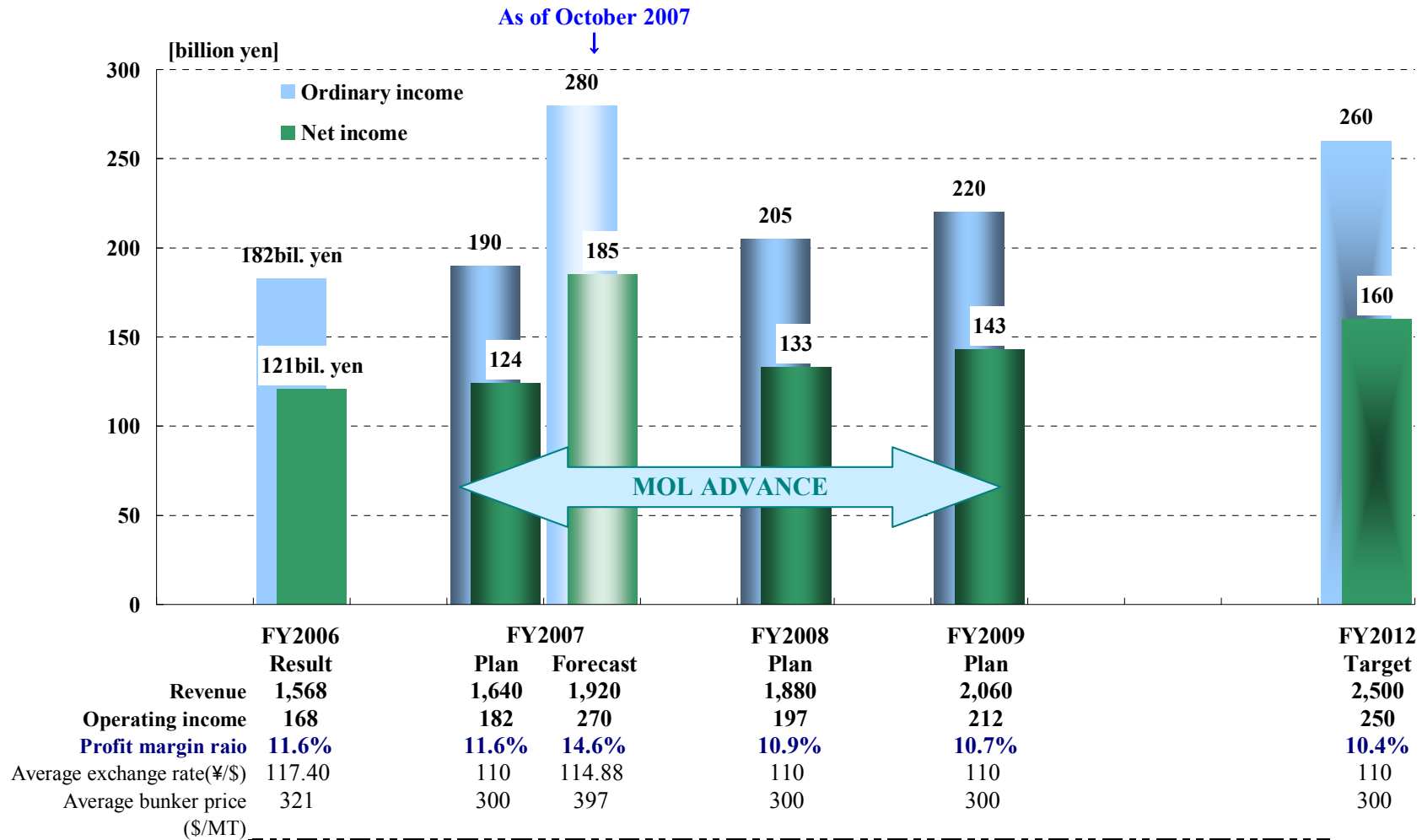
			Capacity		Lifting		Utilization	
FY2007	2nd	4Q						
	half	3Q						
	1st	2Q	1,069		821		77%	
	half	1,026	2,095	800	1,621	78%	77%	
FY2006	2nd	4Q	957		719		75%	
	half	3Q	957		710		74%	
		1st	1,018		757		74%	
		half	896		665		74%	
				3,828		2,850		74%

Car Carriers Loading Results

(1000 units)

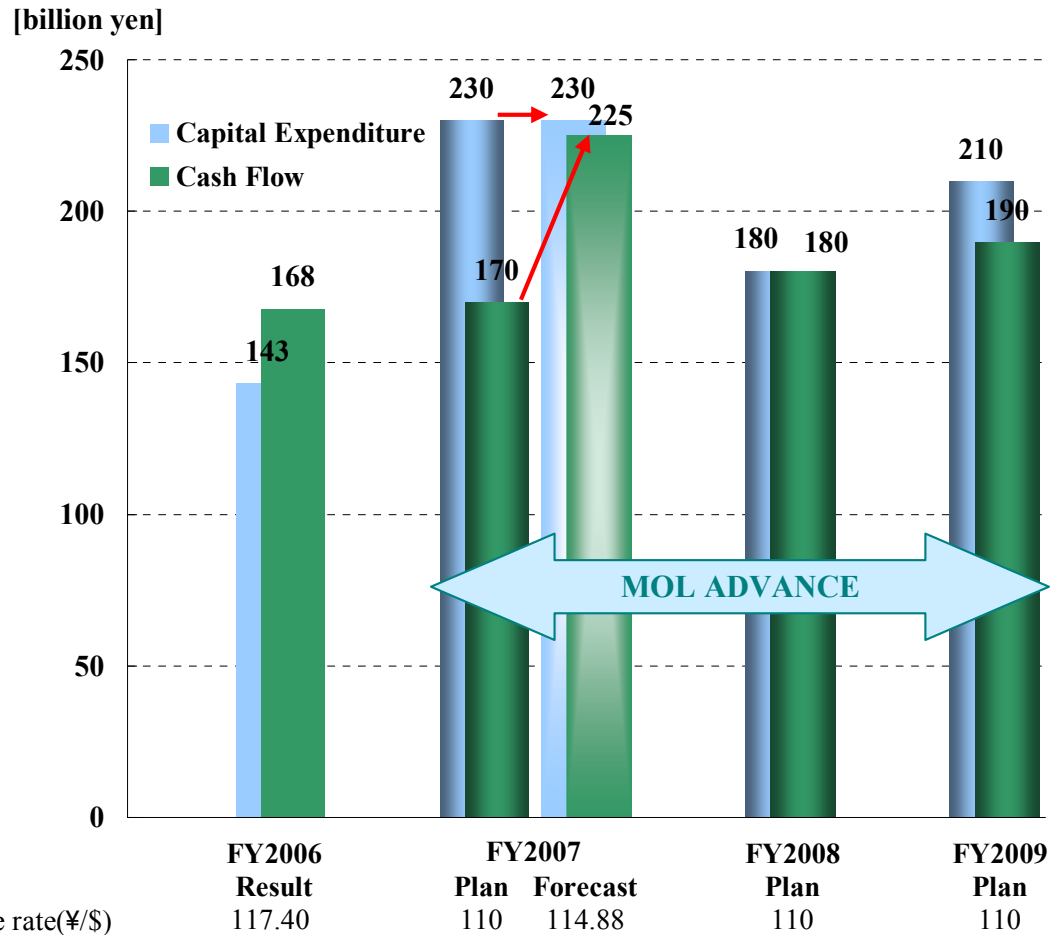
(Voyage Completion basis; including voyage charter)	FY2007					FY2006
			1st Half	<i>2nd Half</i>	<i>(A)+(B)</i>	
	1Q	2Q	Result (A)	<i>Forecast (B)</i>		
Total	653	655	1,308	<i>1,426</i>	<i>2,734</i>	2,670

“MOL ADVANCE” Overall Profit Plan



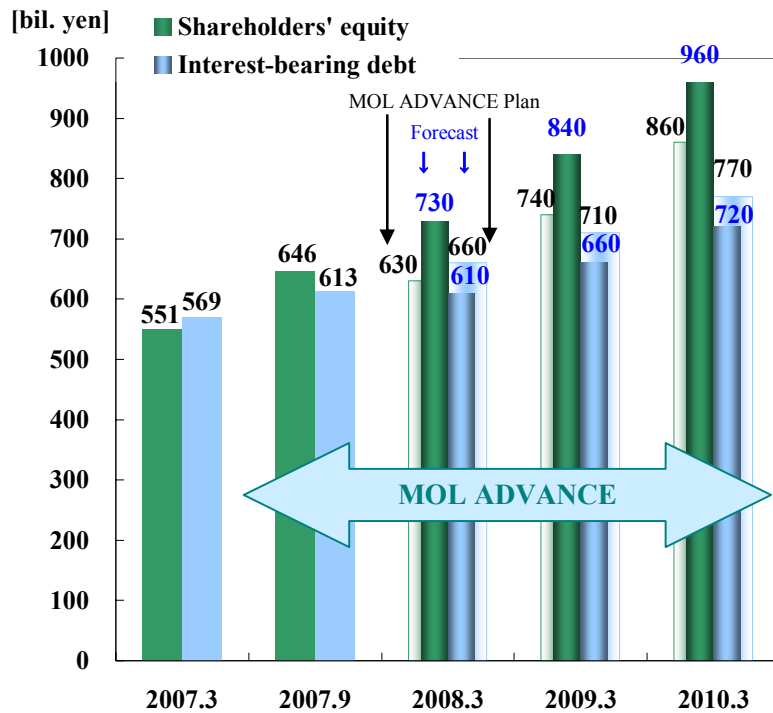
Exchange rate sensitivity /year (Max)	±3.3 bil. yen/1¥	(FY2007)
Bunker price sensitivity /year (Max)	±0.3 bil. yen/1\$	(FY2007)

Cash Flows & Capital Expenditure



Cash flow = Net income + Depreciation - Dividend

“MOL ADVANCE” Financial Plan

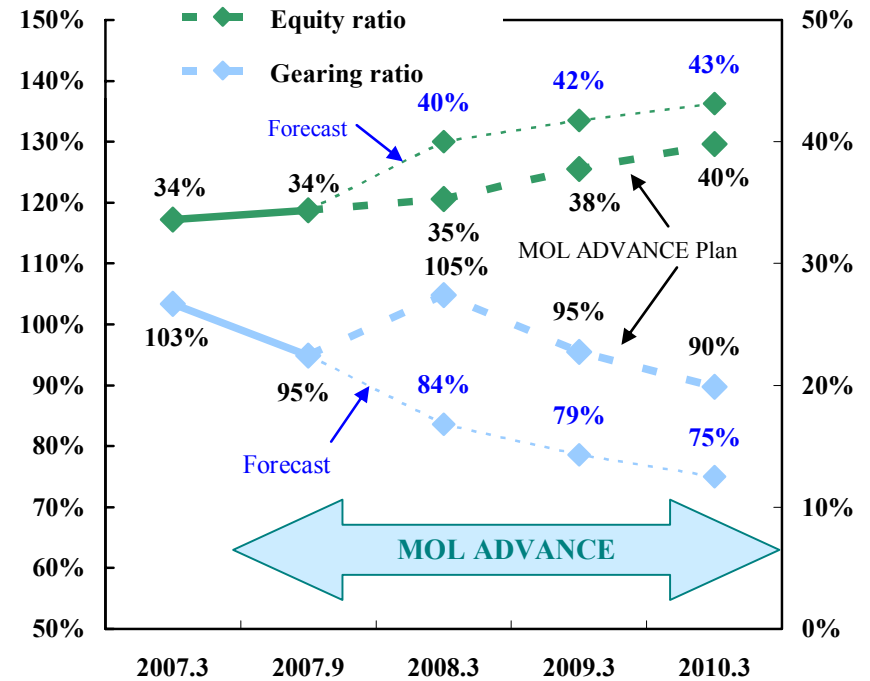


Term-end exchange rate(¥/\$)	2007.3	2007.9	2008.3	2009.3	2010.3
MOL	118.05	115.43	110	110	110
Overseas subsidiaries	119.11	123.26	110	110	110

Forecast = as of October 2007

Gearing ratio

Equity ratio



Result Result Estimate Estimate Estimate

Gearing ratio = Interest bearing debt/Shareholders' equity

Equity ratio = Shareholders' equity/Total Assets

Forecast = as of October 2007