



Business Performance
in
FY2007-1st Quarter

Mitsui O.S.K. Lines, Ltd.

July 2007

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Outline of FY2007 1st Quarter Results

【Overall】

Comparison with FY2006 1Q

Revenue **¥445.9 billion** increase of ¥75.2 billion (+20%)

Ordinary income **¥66.5 billion** increase of ¥29.1 billion (+82%)

- A large increase in revenue and income compared to FY2006 1Q
- Set new record high for quarterly earnings
- Earnings exceeded initial projections

【By segment】

Bulkships (+¥24.3 billion)

- Dry bulkers: Skyrocketing charter rates and fleet expansion contributed to higher income.
- Tanker: Expanded product tanker fleet enjoyed favorable market.

Containerships (+¥2.8 billion)

Asia-North America route eastbound voyages:

Strong trade volume; some rate increase achieved after renewed negotiations.

Asia-Europe route westbound voyages:

Strong trade volume; freight rate recovery progressed.

Other four businesses (+¥0.8 billion)

【Other】

¥10.8 billion appropriated for periodical ships' drydocking reserves.

FY2007 1st Quarter Results

(billion yen)

		1Q Result		Increase/ decrease
		FY2007	FY2006	
Revenue	Consolidated	446	371	75
	Non-Consolidated	360	293	67
Operating income	Consolidated	59	32	27
	Non-Consolidated	46	20	26
Ordinary income	Consolidated	64	35	29
	Non-Consolidated	56	25	30
Net income	Consolidated	34	23	11
	Non-Consolidated	38	16	22

Average exchange rate ¥119.32/\$ ¥115.46/\$ +¥3.86/\$

Average bunker price \$331/MT \$338/MT △\$7/MT

Ordinary income **+2.7 bil. ¥**

{ +8.9 bil. ¥ X 1/4 (Ex. Rate)
 +2.1 bil. ¥ X 1/4 (Bunker)

(For reference)

FY2007 Exchange rate sensitivity/year ±2.30 bil. ¥/1¥ (Max)

FY2007 Bunker price sensitivity/year ±0.30 bil. ¥/1\$ (Max)

(Consolidated Ordinary Income Basis)

(billion yen)

		1Q Result		Increase/ decrease
		FY2007	FY2006	
Bulkships	Revenue	229	186	+43
	Ordinary income	56	32	+24
Containerships	Revenue	162	133	+30
	Ordinary income	1	△ 2	+3
Logistics	Revenue	14	14	+1
	Ordinary income	0	0	△ 0
Ferry & domestic transport	Revenue	13	12	+1
	Ordinary income	△ 0	△ 0	+0
Associated businesses	Revenue	26	25	+1
	Ordinary income	4	3	+0
Others	Revenue	2	2	+0
	Ordinary income	2	1	+0
Elimination	Revenue	-	-	-
	Ordinary income	2	1	+1
Consolidated	Revenue	446	371	+75
	Ordinary income	64	35	+29

Revenues from customers, unconsolidated subsidiaries and affiliated companies.

Results Comparison FY2007-1Q vs FY2006-1Q

Major factors affected Revenue & Ordinary income

● Revenue

(Non-Consolidated; billion yen)

Weaker yen	+¥9.7 bil.	(+8.7)	
Fluctuation of cargo volume/freight rates, etc.	+¥65.5 bil.	(+59.2)	
Others	+¥0.0 bil.	(Δ0.5)	
(Total)	+ ¥75.2 bil.	(+67.3)	

● Ordinary income

(Non-Consolidated; billion yen)

Weaker yen	+¥2.2 bil.	(+2.0)	(FY07-1Q ¥119.32/\$; -¥3.86/\$)
Lower bunker	+¥0.5 bil.	(+0.4)	(FY07-1Q \$331/MT; -\$7/MT)
Fluctuation of cargo volume/freight rates, etc.	+¥25.4 bil.	(+25.2)	
Cost Reduction	+1.8 bil.	(+1.6)	
Equity in earnings of affiliated companies	+¥0.8 bil.	(0.0)	
Others (incl. Elimination)	Δ¥1.6 bil.	(+1.2)	
(Balance)	+¥29.1 bil.	(+30.4)	

【Memo】

Key points of FY2007 Full-year Forecast

【Overall】

Upward revision of the forecast announced at the beginning of the term

Ordinary income ¥200 billion ⇒ **¥230 billion** (1st half +20, 2nd half +10)

Net income ¥130 billion ⇒ **¥145 billion** (1st half +13, 2nd half +2)

【By segment】 () shows increase/decrease from announcement at the beginning of the term

Bulkships (+¥38 billion)

Dry bulkship segment: Market assumption for 3rd/4th QTR at the beginning of the term unchanged

Tanker/LNG carrier/Car carrier: Forecast at the beginning of the term unchanged

Containerships (± 0.5 billion)

Forecast for trade volume/freight rates will remain firm, but soaring bunker prices will slow recovery of income.

Other four businesses (▲¥0.5 billion)

Elimination/Non-consolidated (▲¥7.5 billion)

Anticipated increase in various costs such as dockage and repair

Dividend: ¥20 per share (interim ¥10 + year-end ¥10)

FY2007 Forecast

FY2007		1st Half			1H Forecast as of 4/27/07 (b)	(a)-(b)	2nd Half Forecast	(billion yen)		
		1Q Result	2Q Forecast	Forecast (a)				FY2007 Forecast (c)	FY2007 Forecast as of 4/27/07 (d)	(c)-(d)
Revenue	Consolidated	446	466	912	840	+72	918	1,830	1,700	+130
	Non-Consolidated	360	380	740	670	+70	740	1,480	1,360	+120
Operating income	Consolidated	59	51	110	98	+12	100	210	190	+20
	Non-Consolidated	46	39	85	74	+11	75	160	140	+20
Ordinary income	Consolidated	64	60	124	104	+20	106	230	200	+30
	Non-Consolidated	56	44	100	80	+20	85	185	155	+30
Net income	Consolidated	34	46	80	67	+13	65	145	130	+15
	Non-Consolidated	38	30	68	50	+18	56	124	100	+24
Average exchange rate		¥119.32/\$	¥120.70/\$	¥120.01/\$	¥115.00/\$	+¥5.01/\$	¥117.50/\$	¥118.76/\$	¥115.00/\$	+¥3.76/\$
Average bunker price		\$331/MT	\$390/MT	\$361/MT	\$330/MT	+\$31/MT	\$390/MT	\$375/MT	\$330/MT	+\$45/MT

Ordinary income +1.1 bil. ¥

Ordinary income Δ 4.9 bil. ¥

(For reference)

FY2007 Exchange rate sensitivity/year	\pm 2.30 bil. ¥/1¥ (Max)
FY2007 Bunker price sensitivity/year	\pm 0.30 bil. ¥/1\$ (Max)

(Consolidated Ordinary Income Basis)

+11.5 bil. ¥ \times 1/2 (Ex. Rate)
 Δ 9.3 bil. ¥ \times 1/2 (Bunker)

+8.6 bil. ¥ (Ex. Rate)
 Δ 13.5 bil. ¥ (Bunker)

cf.

FY2006		1st Half			2nd Half Result	FY2006 Result
		1Q Result	2Q Result	Result		
Revenue	Consolidated	371	389	760	809	1,568
	Non-Consolidated	293	306	598	646	1,244
Operating income	Consolidated	32	41	73	95	168
	Non-Consolidated	20	28	47	64	112
Ordinary income	Consolidated	35	43	78	104	182
	Non-Consolidated	25	28	53	76	129
Net income	Consolidated	23	25	48	73	121
	Non-Consolidated	16	18	34	47	81

Average exchange rate ¥115.46/\$ ¥116.20/\$ ¥115.83/\$ ¥118.98/\$ ¥117.40/\$
 Average bunker price \$338/MT \$340/MT \$339/MT \$303/MT \$321/MT

Exchange rate +¥1.36/\$
 Bunker price +\$54/MT
 Ordinary income Δ 13.1 bil. ¥

+3.1 bil. ¥ (Ex. Rate)
 Δ 16.2 bil. ¥ (Bunker)

FY2007 Consolidated Segment Forecast

(billion yen)

	FY2007	1st Half			1H Forecast as of 4/27/07 (b)	(a)-(b)	2nd Half Forecast	FY2007 Forecast (c)	FY2007 Forecast as of 4/27/07 (d)	(c)-(d)
		1Q Result	2Q Forecast	Forecast (a)						
Bulkships	Revenue	229	231	460	410	+50	460	920	820	+100
	Ordinary income	56	54	110	88	+22	99	209	171	+38
Containerships	Revenue	162	178	340	320	+20	342	682	650	+32
	Ordinary income	1	6	7	7	+0	3	10	10	+0
Logistics	Revenue	14	16	30	30	+0	36	66	66	+0
	Ordinary income	0	0	1	1	+0	2	2	3	△ 0
Ferry& domestic transport	Revenue	13	14	27	27	+0	25	52	53	△ 1
	Ordinary income	△ 0	0	△ 0	1	△ 1	1	1	2	△ 1
Associated businesses	Revenue	26	25	51	50	+1	51	102	102	+0
	Ordinary income	4	3	7	6	+0	6	13	13	+0
Others	Revenue	2	2	4	3	+1	4	8	9	△ 1
	Ordinary income	2	1	3	2	+1	1	4	4	+1
Elimination	Revenue	-	-	-	-	-	-	-	-	-
	Ordinary income	2	△ 5	△ 3	△ 1	△ 2	△ 6	△ 9	△ 2	△ 8
Consolidated	Revenue	446	466	912	840	+72	918	1,830	1,700	+130
	Ordinary income	64	60	124	104	+20	106	230	200	+30

Revenues from customers, unconsolidated subsidiaries and affiliated companies.

cf.

(billion yen)

	FY2006	1st Half			2nd Half Result	FY2006 Result
		1Q Result	2Q Result	Result		
Bulkships	Revenue	186	189	375	412	787
	Ordinary income	32	39	71	93	164
Containerships	Revenue	133	145	278	291	569
	Ordinary income	△ 2	1	△ 1	4	3
Logistics	Revenue	14	14	27	28	56
	Ordinary income	0	0	1	2	2
Ferry & domestic transport	Revenue	12	14	26	24	50
	Ordinary income	△ 0	1	0	△ 0	0
Associated businesses	Revenue	25	25	50	49	100
	Ordinary income	3	3	6	7	13
Others	Revenue	2	2	4	4	8
	Ordinary income	1	1	2	1	3
Elimination	Revenue	-	-	-	-	-
	Ordinary income	1	△ 2	△ 0	△ 2	△ 3
Consolidated	Revenue	371	389	760	809	1,568
	Ordinary income	35	43	78	104	182

Revenues from customers, unconsolidated subsidiaries and affiliated companies.

[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	142			138			97%			139			82			59%			
FY2006	2nd	4Q	129			114			88%			131			77			59%			
	half	3Q	134	263			116	230			86%			135	266			72	149		
	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 (W/B)						Inbound (E/B)												
			Capacity			Lifting			Utilization			Capacity			Lifting			Utilization			
FY2007	2nd	4Q																			
	half	3Q																			
	1st	2Q																			
	half	1Q	110			109			100%			105			65			62%			
FY2006	2nd	4Q	109			107			98%			102			61			60%			
	half	3Q	100	209			99	206			100	202			56	117			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)

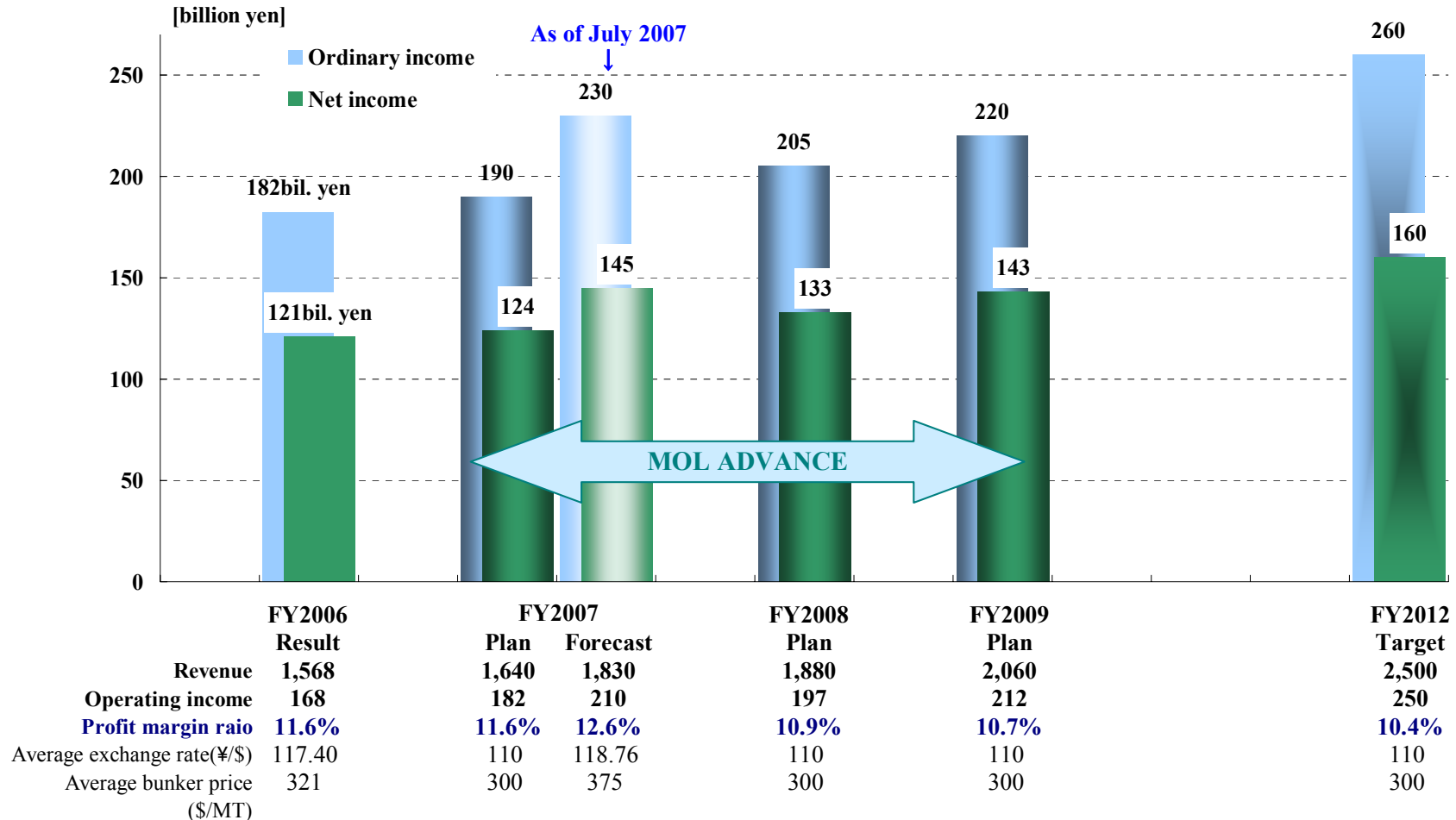
			Capacity			Lifting			Utilization				
FY2007	2nd	4Q											
	half	3Q											
	1st	2Q											
	half	1Q	1,026			800			78%				
FY2006	2nd	4Q	957			719			75%				
	half	3Q	957	1,914			710	1,428			74%		
	1st	2Q	1,018	3,828		757	2,850		74%	74%			
	half	1Q	896	1,914		665	1,422		74%	74%			

Car Carriers Loading Results

(Voyage Completion basis; including voyage charter)	FY2007					FY2006
			<i>1st Half</i>	<i>2nd Half</i>	<i>(A)+(B)</i>	FY2006
	1Q	<i>2Q</i>	<i>Forecast (A)</i>	<i>Forecast (B)</i>	<i>(A)+(B)</i>	
Total	653	649	1,302	1,446	2,748	2,670

(1000 units)

“MOL ADVANCE” Overall Profit Plan



	FY2006	FY2007		FY2008	FY2009	FY2012
	Result	Plan	Forecast	Plan	Plan	Target
Revenue	1,568	1,640	1,830	1,880	2,060	2,500
Operating income	168	182	210	197	212	250
Profit margin ratio	11.6%	11.6%	12.6%	10.9%	10.7%	10.4%
Average exchange rate(¥/\$)	117.40	110	118.76	110	110	110
Average bunker price (\$/MT)	321	300	375	300	300	300

Exchange rate sensitivity /year (Max)	±2.3 bil. yen/1¥	(FY2007)
Bunker price sensitivity /year (Max)	±0.3 bil. yen/1\$	(FY2007)