

Mitsui O.S.K. Lines, Ltd.

Financial Highlights: The Half Year Ended September 30, 2007

1. Consolidated Financial Highlights (from April 1, 2007 to September 30, 2007)

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

(1) Operational Results

	(¥Million)			(US\$ Thousand)
	1H/ FY2007	1H/ FY2006	FY2006	1H/ FY2007
Revenues	940,275	759,518	1,568,435	8,145,846
Operating income	136,047	72,959	168,073	1,178,610
Ordinary income	143,638	78,468	182,488	1,244,373
Net income	86,677	47,734	120,940	750,905
	(¥)			(US\$)
Net income per share	72.50	39.94	101.20	0.628
Diluted net income per share	69.76	38.46	97.41	0.604

(2) Financial Position

	(¥Million)			(US\$ Thousand)
	1H/ FY2007	1H/ FY2006	FY2006	1H/ FY2007
Total Assets	1,880,686	1,537,133	1,639,940	16,292,870
Interest-bearing debt	613,115	587,308	569,417	5,311,574
Total Net Assets	718,763	532,226	620,989	6,226,830
Shareholders' Equity / Total assets	34.4%	30.1%	33.6%	34.4%
	(¥)			(US\$)
Shareholders' Equity per share	540.06	387.09	460.78	4.679

* Shareholders' Equity is defined as follows.

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

(3) Cash Flows

	(¥Million)			(US\$ Thousand)
	1H/ FY2007	1H/ FY2006	FY2006	1H/ FY2007
Cash flows from operating activities	116,214	64,922	156,418	1,006,792
Cash flows from investing activities	(116,672)	(57,657)	(136,049)	(1,010,760)
Cash flows from financing activities	12,741	2,625	(29,142)	110,379
Cash & cash equivalent at the end of period	65,062	70,699	51,382	563,649
Capital expenditures	(134,154)	(66,272)	(152,180)	(1,162,211)
Depreciation and amortization	36,500	33,086	68,581	316,209

(4) Dividends

	Dividend per share		
	Interim	Year end	Annual
FY2006	9.00	11.00	20.00
FY2007	14.00		
FY2007 (Forecast)		14.00	28.00

(5) Forecast of Consolidated Results for Fiscal Year ending March 31, 2008

	(¥Million)	(US\$ Thousand)
	FY2007	FY2007
Revenues	1,920,000	16,633,458
Operating income	270,000	2,339,080
Ordinary income	280,000	2,425,713
Net income	185,000	1,602,703
	(¥)	(US\$)
Net income per share	154.65	1.340

* Underlying Assumption of the Forecast for the FY2007

The above forecast is made assuming the exchange rate and the bunker price for the 2nd Half of FY2007.

Exchange Rate 1US\$=¥110.00

Bunker Price US\$ 440/MT

(Translation of foreign currencies)

The Japanese yen amounts for 1H/ FY2007 have been translated into U.S. dollars using the prevailing exchange rate at September 30, 2007, which was ¥115.43 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. Non-Consolidated Financial Highlights (from April 1, 2007 to September 30, 2007)

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

(1) Operational Results

	(¥Million)			(US\$ Thousand)
	1H/ FY2007	1H/FY 2006	FY2006	1H/ FY2007
Revenues	764,269	598,255	1,243,985	6,621,060
Operating income	108,510	47,498	111,708	940,050
Ordinary income	115,726	53,116	128,983	1,002,564
Net income	77,030	33,974	81,334	667,331
			(¥)	(US\$)
Net income per share	64.39	28.40	68.00	0.558

(2) Forecast of Non-Consolidated Results for Fiscal Year ending March 31, 2008

	(¥Million)		(US\$ Thousand)
	FY2007		FY2007
Revenues	1,570,000		13,601,317
Operating income	215,000		1,862,601
Ordinary income	230,000		1,992,550
Net income	155,000		1,342,805
		(¥)	(US\$)
Net income per share	FY2007 129.49		FY2007 1.122

* Underlying Assumption of the Forecast for the FY2007

The above forecast is made assuming translation rates and the bunker price for the 2nd Half of FY2007.

Exchange Rate 1US\$=¥110.00

Bunker Price US\$440/MT

(Translation of foreign currencies)

The Japanese yen amounts for 1H/ FY2007 have been translated into U.S. dollars using the prevailing exchange rate at September 30, 2007, which was ¥115.43 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.)

3. Business Performance

1. Business Performance

(1) Business climate during the first half of FY2007

(Unit: ¥ billion)

	1 st half FY2006 (Ending Sept. 30, 2006)	1 st half FY2007 (Ending Sept. 30, 2007)	% increase/decrease
Revenue	759.5	940.2	180.7/23.8%
Operating income	72.9	136.0	63.0/86.5%
Ordinary income	78.4	143.6	65.1/83.1%
Net income	47.7	86.6	38.9/81.6%

Exchange rate	¥115.83/US\$	¥119.75/US\$	+¥3.92/US\$
Bunker price	US\$339/MT	US\$354/MT	+US\$15/MT

During the first half of fiscal year (FY) 2007, (April 2007 through March 2008), worldwide ocean shipping was booming, backed by high growth in developing nations including BRICs, although signs of a U.S. economic deceleration became apparent. Performance was especially strong in the dry bulker market, which saw skyrocketing freight rates.

In China, with the Beijing Olympics approaching, crude steel production is projected to increase from about 420 million tons in 2006 to nearly 500 million tons this year, and imports of iron ore and coal showed steady growth. In the tanker market, rates for very large crude carriers (VLCC) slumped due to a surplus of vessels, but petroleum product tankers (MR type) remained relatively strong. Cargo movement on containerships was steady on all routes, but the margin of increase in freight rates varied. As a whole, revenue and profit rose at a lower rate than we had projected.

With a background of rising worldwide resource prices, crude oil prices and bunker prices continually increased throughout the term. As a result, the average bunker price during the interim term was US\$354/MT. This was a factor in compressing profits for our company. On the other hand, the yen exchange rate averaged ¥119.75/US\$ during the interim term, which was slightly weaker than the same period of the previous term. This factor helped improve profitability.

As a result, revenue for the first half of FY2007 increased 23.8% over the same period of the previous year, totaling ¥940.2 billion; operating income increased 86.5% to ¥136.0 billion; ordinary income increased 83.1% to ¥143.6 billion yen; and net income for the first half of FY2007 increased 81.6% to ¥86.6 billion. In other words, the company saw an increase in both revenue and profits.

Revenue, operating income, and ordinary income by segment during the first half, and a comparison with the same period of the previous year, are as follows:

Upper: Revenue; Middle: Operating Income; Lower: Ordinary Income (Unit: ¥billion)

	1 st half of FY2006 (ending Sept. 2006)	1 st half of FY2007 (ending Sept. 2007)	increase/decrease
Bulkships	375.6	484.0	108.3/28.9 %
	67.0	119.2	52.1/77.8 %
	70.6	125.9	55.2/78.2 %
Containerships	278.7	343.4	64.6/23.2 %
	2.7	4.6	7.3/ - %
	0.9	7.8	8.8/ - %
Logistics	28.2	30.3	2.1/7.5 %
	0.4	0.6	0.1/38.4%
	0.7	0.9	0.1/26.4%
Ferry and Domestic Transport	25.9	25.8	0/ 0.2%
	0.6	0.7	0.1/24.1%
	0.2	0.5	0.2/112.7%
Associated Businesses	60.2	63.5	3.2/5.4 %
	5.5	6.1	0.5/9.9 %
	6.4	6.7	0.3/5.0 %
Others	8.3	12.9	4.6/55.0 %
	2.7	4.0	1.2/47.8 %
	1.7	3.8	2.1/124.2 %

(Note) Revenue includes internal sales among segments.

(A) Bulkships

< Dry Bulkers >

The dry bulker market increased sharply during the first half of the term. There were several reasons behind the rise: one, voyage distances became longer due to increases in procurement from distant production sites including Brazil; and two, China's imports of iron ore kept expanding, combined with the effects of port congestion in Australia and other areas. In addition, stable earnings from long-term contracts for iron ore carriers, coal carriers, and wood chip carriers contributed to a large increase in profits for the first half of this term, compared to the same period of the previous year.

<Car Carriers >

The car carrier business transported more CBU (Completely Build-up) units because we

launched new vessels as they were completed, backed by strong transport demand on routes from Japan and the Far East. Profits in cross-trade improved thanks to efficient vessel allocation. Thus, this segment showed reasonable profits, the same as in the previous term of FY2006.

<Tankers and LNG Carriers>

The VLCC market during the half of FY2007 remained at a low level. The key factor was a vessel surplus due to a lack of progress in scrapping single-hull and overage ships. The product tanker market (MR) was relatively strong, but costs rose in step with high bunker oil prices. Overall profits in the tanker business were lower than in the same period of the previous term. The LNG carrier business offset the drop in performance, thanks to stable earnings from long-term transport contracts.

(B) Containerships

Operating income and ordinary income in this segment moved into the black in the same period of the previous term, thanks to strong trade and improved freight rates on all routes. However, higher bunker prices and increased costs such as terminal loading/unloading fees and inland railroad charges continued to squeeze profits. We achieved our rate recovery targets on the European route, but freight rate renewal negotiations on North American routes resulted in lower rates than our target. On the other hand, we worked energetically to reduce container repositioning costs by efficiently combining inbound and outbound cargo, as part of our efforts to reinforce cost competitiveness. Associated business activities such as container terminal operation and forwarding remained favorable thanks to active trade on all routes.

(C) Logistics

In the air cargo business, we continued our efforts to promote group-wide sales strength and cost control, although export cargo from Japan showed sluggish growth. Profits in this segment for the first half of this term increased compared to the same period of FY2006.

(D) Ferry and Domestic Transport

Our ferry operations during the first half of FY2007 achieved the same level of profits as in the same period of FY2006 in spite of skyrocketing bunker prices and the effects of typhoons, since we restructured Kanto and Hokkaido routes and withdrew from unprofitable routes. Profits in domestic transportation business were higher than in the previous term, thanks to favorable trade, in spite of higher bunker prices. As a result, profits in the ferry and domestic transportation segment increased slightly over the same period of FY2006.

(E) Associated Businesses

Performance of the real estate business, which is operated mainly by our major subsidiary

Daibiru Corporation, remained strong, with continued increases in rents, mainly in Tokyo, and high occupancy rates. On the other hand, the cruise ship business continued to attract passengers, but profits dropped off due to high bunker prices and the effects of typhoons. Sales of fuel oil and machinery for vessels in our trading business remained brisk. As a result, overall profits during the first half of FY2007 increased slightly over the same period of the previous year.

(F) Others

Other businesses, which are mainly cost centers, include ship operation, ship management, ship chartering, financing, and shipbuilding. Overall profits of this segment increased compared to the same period in FY2006.

(2) Outlook for FY2007

(Unit: ¥ billion)

	Previous outlook (announced with 1 st Q results)	Latest outlook (announced with interim results)	increase/decrease
Revenue	1,830	1,920	90 / 4.9 %
Operating income	210	270	60 / 28.6 %
Ordinary income	230	280	50 / 21.7 %
Net income	145	185	40 / 27.6 %

Exchange rate	¥117.50/US\$	¥110.00/US\$	¥7.50/US\$
Bunker price	US\$390/MT	US\$440/MT	+US\$50/MT

(Assumption for 2nd half) (Assumption for 2nd half)

During the second half of the year, we expect a further increase in demand for ocean transport, fueled by resource and energy transport for developing nations including China. Considering the limited number of new-building vessels coming into the market, we expect the fleet supply and demand balance to remain tight for the time being. Negative factors include the ongoing yen appreciation and skyrocketing bunker prices in addition to concerns about the effect of the U.S. housing loan issue on major economies. However, we expect these factors to be offset by favorable conditions in the ocean shipping market, and anticipate continued strong business performance. Exchange rate and bunker price assumptions are reviewed based on current market levels.

The dry bulkers business, including Cape-size bulkers, the mainstay of this fleet, is projected to remain strong during the second half, thanks to a tight demand-supply situation, though the freight rate market is at historic highs. We expect the car carrier business to transport a greater number of CBUs, mainly from Japan and the Far East. In the tanker business, we aim to expand

profits by the vessels that are exposed to market conditions, with stable earnings from long-term contracts supporting this performance. Although the overall tanker market was slow, we project an upturn during the second half as we enter the high-demand winter season. The LNG carrier business is expected to generate stable profits based on long-term contracts.

In the containerships segment, we expect cargo volume on all routes will remain high even in the usually slack winter season. We continue to focus our efforts on recovery of freight rates on routes serving Europe, South America, and Africa. Though we expect strong trade growth on the North American route, we are looking at ways to temporarily adjust fleet supply and demand balance by reducing sailing frequencies in case the demand weakens vis-à-vis supply, due to seasonal fluctuations.

We also expect stable ongoing profits in the associated businesses segment, particularly real estate.

Based on these prospects, we project consolidated revenue for FY2007 of ¥1,920.0 billion; consolidated operating income of ¥270.0 billion; consolidated ordinary income of ¥280.0 billion, and consolidated net income of ¥185.0 billion.

4. Financial Position

Total assets for the first half of FY2007, ended September 30, 2007, were 1,880.6 billion yen, an increase of 240.7 billion yen from the end of the previous fiscal year. This was mainly due to an increase in vessels and trade receivables. Total liabilities increased by 142.9 billion yen from the end of the previous fiscal year to 1,161.9 billion yen mainly due to an increase in trade payables and interest-bearing debt. Total net assets increased by 97.7 billion yen from the end of the previous fiscal year to 718.7 billion yen. This was mainly due to an increase in retained earnings. As a result, the equity ratio (shareholders' equity / total assets) increased to 34.4% from 33.6% at the end of the previous fiscal year.

5. Cash Flow

Cash and cash equivalents (hereinafter called "cash") at the end of the first half of FY2007 totaled ¥65.0 billion, ¥13.6 billion increase from the end of the previous year.

Net cash provided by operating activities during the first half FY2007 totaled ¥116.2 billion,

¥51.2 billion increase from the same period of the previous year. This mainly consist of ¥147.2 billion of income before income taxes and minority interests, ¥36.5 billion of depreciation and amortization, ¥76.7 billion of increase in trade receivables, ¥49.4 billion of increase in trade payables, ¥41.0 billion of income taxes.

Net cash used in investing activities during the first half of FY2007 totaled ¥116.6 billion, ¥59.0 billion increase from the same period of the previous year. This result was mainly due to ¥134.1 billion for payments for vessels and other tangible and intangible fixed assets (¥67.8 billion increase from the same period of the previous year).

Net cash provided by financing activities during the first half FY2007 totaled ¥12.7 billion, ¥10.1 billion increase from the same period of the previous year. This primarily consisted of proceeds from long-term bank loans.

6. Basic policy of profit sharing and dividends for FY2007

We regard increasing corporate value with proactive capital investments and direct return of profits to shareholders through dividends as the key management policy. Based on the midterm management plan MOL ADVANCE, we continue to invest proactively, mainly in vessels. We utilize internal capital reserves to cover investment funds, while reinforcing corporate financial strength, so that the corporate value would be further enhanced. Considering these factors, we will maintain a dividend payout ratio of 20% for the foreseeable future, and pay dividends in conjunction with consolidated performance. But as a mid- and long-term management task, we will work hard to increase the payout ratio.

Reflecting this dividend policy, we plan to pay ¥28 per share as the annual dividend for FY2007 (ending March 2008), an increase of ¥8 over dividends of the previous term. From the above annual dividend, we will pay an interim dividend in order to return profits to our shareholders in a timely manner. The interim dividend for FY2007 was set at ¥14 per share at the Board of Directors Meeting held on October 30, 2007.

Meanwhile, we do not plan to change the frequency of dividend payments, adopting a quarterly dividend payout, in the foreseeable future

7. 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, 2007		As of March 31, 2007		Increase/ (Decrease)	As of September 30, 2006	
	Amount	%	Amount	%		Amount	%
Assets							
Current assets	524,947	27.9	405,473	24.7	119,474	404,244	26.3
Fixed assets	1,355,738	72.1	1,234,466	75.3	121,272	1,132,889	73.7
Tangible fixed assets	945,735	50.3	847,660	51.7	98,075	799,345	52.0
Intangible fixed assets	17,461	0.9	19,318	1.2	(1,857)	18,761	1.2
Investments and other long-term assets	392,541	20.9	367,487	22.4	25,054	314,781	20.5
Total Assets	1,880,686	100.0	1,639,940	100.0	240,746	1,537,133	100.0

(¥ Million)

	As of September 30, 2007		As of March 31, 2007		Increase/ (Decrease)	As of September 30, 2006	
	Amount	%	Amount	%		Amount	%
Liabilities							
Current liabilities	532,549	28.3	482,810	29.4	49,739	472,465	30.7
Non-current liabilities	629,372	33.5	536,140	32.7	93,232	532,441	34.7
Total Liabilities	1,161,922	61.8	1,018,951	62.1	142,971	1,004,907	65.4
Net Assets							
Owners' equity							
Common stock	65,350	3.5	64,915	4.0	435	64,915	4.2
Capital surplus	44,390	2.4	43,886	2.7	504	43,887	2.9
Retained earnings	449,384	23.9	375,443	22.9	73,941	313,555	20.4
Treasury stock, at cost	(4,525)	(0.3)	(4,153)	(0.3)	(372)	(3,981)	(0.3)
Total owners' equity	554,600	29.5	480,091	29.3	74,509	418,376	27.2
Accumulated gains (losses) from valuation and translation adjustments							
Unrealized holding gains on available-for-sale securities, net of tax	64,926	3.5	57,771	3.5	7,155	42,532	2.8
Unrealized gains on hedging derivatives, net of tax	22,953	1.2	15,897	1.0	7,056	8,705	0.6
Foreign currency translation adjustments	3,574	0.2	(2,996)	(0.2)	6,570	(7,058)	(0.5)
Total accumulated gains (losses) from valuation and translation adjustments	91,454	4.9	70,672	4.3	20,782	44,178	2.9
Share subscription rights	967	0.0	365	0.0	602	365	0.0
Minority interests	71,741	3.8	69,859	4.3	1,882	69,306	4.5
Total Net Assets	718,763	38.2	620,989	37.9	97,774	532,226	34.6
Total Liabilities and Total Net Assets	1,880,686	100.0	1,639,940	100.0	240,746	1,537,133	100.0

(2) Consolidated Statements of Income

(¥Million)

	1H / FY2007		1H / FY2006		Increase/(Decrease)		FY2006	
	Amount	%	Amount	%	Amount	%	Amount	%
Shipping and other operating revenues	940,275	100.0	759,518	100.0	180,757	23.8	1,568,435	100.0
Shipping and other operating expenses	750,568	79.8	637,958	84.0	112,610	17.7	1,300,038	82.9
Gross operating income	189,707	20.2	121,559	16.0	68,148	56.1	268,396	17.1
Selling, general and administrative expenses	53,660	5.7	48,599	6.4	5,061	10.4	100,323	6.4
Operating income	136,047	14.5	72,959	9.6	63,088	86.5	168,073	10.7
Non-operating income:								
Interest income	1,919		1,530		389		3,663	
Dividend income	2,437		1,809		628		3,964	
Equity in earnings of unconsolidated subsidiaries and affiliated companies	10,176		6,214		3,962		16,171	
Others	3,880		5,539		(1,659)		11,006	
Total	18,413	2.0	15,094	2.0	3,319	22.0	34,806	2.2
Non-operating expenses:								
Interest expense	9,281		8,724		557		18,275	
Others	1,541		859		682		2,115	
Total	10,822	1.2	9,584	1.3	1,238	12.9	20,391	1.3
Ordinary income	143,638	15.3	78,468	10.3	65,170	83.1	182,488	11.6
Extraordinary profit:								
Gain on sale of fixed assets	11,223		4,450		6,773		13,771	
Gain on sale of investment securities	228		325		(97)		6,146	
Others	4,048		144		3,904		633	
Total	15,500	1.7	4,920	0.7	10,580	215.0	20,551	1.3
Extraordinary loss:								
Loss on sale or disposal of fixed assets	456		208		248		363	
Loss on sale of investment securities	8		0		8		138	
Valuation loss on investment securities	7		12		(5)		210	
Others	11,423		2,244		9,179		4,474	
Total	11,896	1.3	2,467	0.3	9,429	382.2	5,185	0.3
Income before income taxes and minority interests	147,242	15.7	80,921	10.7	66,321	82.0	197,854	12.6
Income taxes - current	57,330	6.1	29,930	4.0	27,400	91.5	63,041	4.0
Income taxes - deferred	-	-	-	-	-	-	7,468	0.5
Minority interests in earnings of consolidated subsidiaries	3,234	0.4	3,256	0.4	(22)	(0.7)	6,403	0.4
Net income	86,677	9.2	47,734	6.3	38,943	81.6	120,940	7.7

(Presentation of Taxes) As tax expenses for the Half Year ended September 30, 2007, and September 30, 2006, are calculated using the simplified method, the tax adjustment is included in "Income taxes-current" in the income statements above.

(3) Consolidated Statements of Changes in Net Assets
1H/FY2007 (April 1, 2007 - September 30, 2007)

(¥Million)

	Owners' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total owners' equity
Balance at Mar 31,2007	64,915	43,886	375,443	(4,153)	480,091
Net income			86,677		86,677
Appropriations					
New issue of stocks	435	435			870
Dividends paid			(13,156)		(13,156)
Due to change in consolidated subsidiaries			419		419
Due to change in affiliated companies accounted for by the equity method			0		0
Repurchases of treasury stocks				(738)	(738)
Disposal of treasury stocks		69		366	435
Net increase / decrease during the term except in Owners' Equity					-
Balance at Sep 30,2007	65,350	44,390	449,384	(4,525)	554,600

(¥Million)

	Accumulated gains (losses) from valuation and translation adjustments				Share subscription rights	Minority interests	Total Net Assets
	Unrealized holding gains on available for sale securities, net of tax	Unrealized gains on hedging derivatives, net of tax	Foreign currency translation adjustments	Total accumulated gains (losses) from valuation and translation adjustments			
Balance at Mar 31,2007	57,771	15,897	(2,996)	70,672	365	69,859	620,989
Net income							86,677
Appropriations							
New issue of stocks							870
Dividends paid							(13,156)
Due to change in consolidated subsidiaries							419
Due to change in affiliated companies accounted for by the equity method							0
Repurchases of treasury stocks							(738)
Disposal of treasury stocks							435
Net increase / decrease during the term except in Owners' Equity	7,155	7,055	6,570	20,781	601	1,881	23,265
Balance at Sep 30,2007	64,926	22,953	3,574	91,454	967	71,741	718,763

Notes :

1. Shares of outstanding Stocks	Common Stock	Beginning of the period	Increase during the period	Decrease during the period	End of the period	unit: thousand shares
		1,205,410	785	-	1,206,195	
2. Shares of treasury Stocks	Common Stock	Beginning of the period	Increase during the period	Decrease during the period	End of the period	unit: thousand shares
		10,115	449	622	9,941	

The breakdown of increase of outstanding stock(by reason) is as follows :

Increase due to conversion of convertible bond to common stock 785 thousand shares

The breakdown of increase / decrease of treasury stock(by reason) is as follows :

Increase due to repurchase of treasury stock less than one unit 449 thousand shares

Decrease due to exercise of stock option 613 thousand shares

Decrease due to sale of treasury stock less than one unit 9 thousand shares

(4) Consolidated Statements of Cash Flows

(¥Million)

	1H/FY2007	1H/FY2006	Increase/ (Decrease)	FY2006
Cash flows from operating activities				
Income before income taxes and minority interests	147,242	80,921	66,321	197,854
Depreciation and amortization	36,500	33,086	3,414	68,581
Reversal of provisions	10,291	(2,143)	12,434	(146)
Interest and dividend income	(4,356)	(3,340)	(1,016)	(7,628)
Interest expense	9,281	8,724	557	18,275
Equity in earnings of affiliated companies, net	(10,176)	(6,214)	(3,962)	(16,171)
Loss (Gain) on sale and disposal of tangible fixed assets	(10,766)	(4,241)	(6,525)	(13,408)
Loss on write-down of investment securities	7	12	(5)	210
Loss (Gain) on sale of investment securities	(219)	(324)	105	(6,008)
Changes in operating assets and liabilities				
- Trade receivables	(76,769)	(27,921)	(48,848)	(23,433)
- Fuel and supplies	(7,765)	(1,940)	(5,825)	(2,497)
- Trade payables	49,484	28,128	21,356	22,174
Others, net	13,406	(8,096)	21,502	(19,888)
Sub total	156,161	96,652	59,509	217,913
Cash received for interest and dividend	9,788	7,848	1,940	14,097
Cash paid for interest	(8,645)	(8,608)	(37)	(19,098)
Cash paid for corporate income tax, resident tax, and enterprise tax	(41,089)	(30,969)	(10,120)	(56,494)
Net cash provided by operating activities	116,214	64,922	51,292	156,418
Cash flows from investing activities				
Purchase of marketable and investment securities	(7,005)	(4,085)	(2,920)	(19,646)
Proceeds from sale of marketable and investment securities	412	706	(294)	19,194
Payments for acquisition of tangible and intangible fixed assets	(134,154)	(66,272)	(67,882)	(152,180)
Proceeds from sale of tangible and intangible fixed assets	32,675	5,507	27,168	25,160
Net (increase) decrease in short-term loans	(12,614)	(5,011)	(7,603)	(9,568)
Disbursements for long-term loans	(675)	(1,256)	581	(6,778)
Collections of long-term loans receivable	5,569	2,873	2,696	3,964
Others, net	(878)	9,880	(10,758)	3,805
Net cash used in investing activities	(116,672)	(57,657)	(59,015)	(136,049)
Cash flows from financing activities				
Net increase (decrease) in short-term loans	(26,088)	(6,086)	(20,002)	5,502
Net increase (decrease) in short-term bonds	(137)	(3,698)	3,561	(13,185)
Net increase (decrease) in commercial paper	(7,000)	3,500	(10,500)	(5,000)
Proceeds from long-term loans	89,423	33,186	56,237	64,040
Repayments of long-term loans	(40,651)	(36,169)	(4,482)	(60,126)
Proceeds from issuance of bonds	17,631	28,645	(11,014)	31,038
Redemption of bonds	(6,606)	(6,044)	(562)	(26,886)
Cash Dividends paid by the company	(13,155)	(10,741)	(2,414)	(21,497)
Others, net	(673)	34	(707)	(3,027)
Net cash provided by (used in) financing activities	12,741	2,625	10,116	(29,142)
Effect on exchange rate changes on cash and cash equivalents	1,089	(385)	1,474	(1,057)
Net increase (decrease) in cash and cash equivalents	13,373	9,505	3,868	(9,831)
Cash and cash equivalents at the beginning of period	51,382	60,267	(8,885)	60,267
Net cash increase (decrease) from new consolidation /de-consolidation of subsidiaries	306	926	(620)	947
Cash and cash equivalents at the end of period	65,062	70,699	(5,637)	51,382

(5) Segment Information

1. Business segment information:

(¥Million)

1H / FY2007	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

(¥Million)

1H / FY2006	Bulk-ships	Container-ships	Logistics	Ferry & Domestic transport	Associated businesses	Others	Total	Elimination	Consolidated
Revenues									
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	374,633	277,604	27,477	25,827	50,211	3,765	759,518	-	759,518
2.Inter-segments revenues	1,040	1,191	769	102	10,079	4,603	17,788	(17,788)	-
Total Revenues	375,673	278,796	28,246	25,929	60,290	8,368	777,306	(17,788)	759,518
Operating expenses	308,605	281,592	27,809	25,294	54,721	5,657	703,681	(17,122)	686,558
Operating income / (loss)	67,068	(2,796)	437	634	5,568	2,711	73,625	(665)	72,959
Ordinary income / (loss)	70,687	(963)	735	252	6,453	1,730	78,896	(427)	78,468

(¥Million)

FY2006	Bulk-ships	Container-ships	Logistics	Ferry & Domestic transport	Associated businesses	Others	Total	Elimination	Consolidated
Revenues									
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	787,039	568,590	55,570	49,848	99,669	7,716	1,568,435	-	1,568,435
2.Inter-segments revenues	2,193	2,429	1,514	144	20,294	11,352	37,928	(37,928)	-
Total Revenues	789,232	571,020	57,084	49,993	119,964	19,068	1,606,363	(37,928)	1,568,435
Operating expenses	635,251	573,973	55,657	49,532	108,304	13,681	1,436,402	(36,040)	1,400,361
Operating income / (loss)	153,981	(2,953)	1,426	460	11,660	5,386	169,961	(1,888)	168,073
Ordinary income / (loss)	163,580	3,150	2,256	19	13,073	3,026	185,106	(2,618)	182,488

2. Geographical segment information:

(¥Million)

1H / FY2007	Japan	North America	Europe	Asia	Other	Total	Elimination	Consolidated
Revenues								
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	900,320	22,381	7,407	10,062	103	940,275	-	940,275
2.Inter-segments revenues	1,586	8,739	6,708	3,953	1,569	22,557	(22,557)	-
Total Revenues	901,906	31,121	14,115	14,016	1,673	962,833	(22,557)	940,275
Operating expenses	774,942	23,877	13,195	13,191	1,593	826,800	(22,571)	804,228
Operating income	126,964	7,243	920	824	80	136,032	14	136,047
Ordinary income (loss)	136,745	7,921	939	1,074	55	146,737	(3,098)	143,638

(¥Million)

1H / FY2006	Japan	North America	Europe	Asia	Other	Total	Elimination	Consolidated
Revenues								
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	722,094	21,428	7,800	8,152	41	759,518	-	759,518
2.Inter-segments revenues	1,863	7,966	3,598	3,382	1,000	17,812	(17,812)	-
Total Revenues	723,958	29,395	11,398	11,535	1,041	777,330	(17,812)	759,518
Operating expenses	658,548	23,652	9,121	10,572	1,001	702,895	(16,336)	686,558
Operating income	65,410	5,743	2,277	963	40	74,435	(1,476)	72,959
Ordinary income (loss)	74,495	6,238	614	1,144	62	82,555	(4,087)	78,468

(¥Million)

FY2006	Japan	North America	Europe	Asia	Other	Total	Elimination	Consolidated
Revenues								
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	1,490,370	45,011	16,876	16,073	103	1,568,435	-	1,568,435
2.Inter-segments revenues	5,715	16,921	8,056	8,663	2,469	41,827	(41,827)	-
Total Revenues	1,496,086	61,932	24,933	24,737	2,572	1,610,262	(41,827)	1,568,435
Operating expenses	1,342,715	50,590	20,025	23,090	2,469	1,438,891	(38,530)	1,400,361
Operating income	153,370	11,342	4,908	1,646	102	171,370	(3,297)	168,073
Ordinary income (loss)	175,899	12,598	1,328	1,971	145	191,943	(9,454)	182,488

3. Overseas Sales

(¥Million)

1H / FY2007	North America	Europe	Asia	Central and South America	Oceania	Other	Total
I.Overseas Sales	209,242	165,843	183,258	99,872	130,182	55,786	844,186
II.Total Consolidated Sales	-	-	-	-	-	-	940,275
III.Ratio of overseas sales to total consolidated sales	22.3%	17.6%	19.5%	10.6%	13.8%	5.9%	89.8%

(¥Million)

1H / FY2006	North America	Europe	Asia	Other	Total
I.Overseas Sales	175,276	142,183	173,192	175,065	665,717
II.Total Consolidated Sales	-	-	-	-	759,518
III.Ratio of overseas sales to total consolidated sales	23.1%	18.7%	22.8%	23.0%	87.6%

(¥Million)

FY2006	North America	Europe	Asia	Other	Total
I.Overseas Sales	353,182	287,005	345,429	402,861	1,388,479
II.Total Consolidated Sales	-	-	-	-	1,568,435
III.Ratio of overseas sales to total consolidated sales	22.5%	18.3%	22.0%	25.7%	88.5%

8. Non-Consolidated Financial Statements

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

(1) Non-Consolidated Balance Sheets

(¥ Million)

	As of September 30, 2007		As of March 31, 2007		Increase/ (Decrease)	As of September 30, 2006	
	Amount	%	Amount	%		Amount	%
Assets							
Current assets	435,948	46.0	368,228	44.0	67,720	345,101	44.6
Fixed assets	511,467	54.0	469,184	56.0	42,283	428,049	55.4
Tangible fixed assets	101,371	10.7	99,316	11.9	2,055	103,386	13.4
Intangible fixed assets	16,323	1.7	18,646	2.2	(2,323)	18,660	2.4
Investments and other long-term assets	393,771	41.6	351,221	41.9	42,550	306,002	39.6
Total Assets	947,415	100.0	837,412	100.0	110,003	773,151	100.0

(¥ Million)

	As of September 30, 2007		As of March 31, 2007		Increase/ (Decrease)	As of September 30, 2006	
	Amount	%	Amount	%		Amount	%
Liabilities							
Current liabilities	367,090	38.8	330,569	39.5	36,521	306,957	39.7
Non-current liabilities	103,302	10.9	102,836	12.3	466	114,320	14.8
Total Liabilities	470,392	49.7	433,405	51.8	36,987	421,278	54.5
Net Assets							
Owners' equity							
Common stock	65,350	6.9	64,915	7.8	435	64,915	
Capital surplus	44,382	4.7	43,886	5.2	496	43,887	
Retained earnings	313,094	33.0	249,220	29.8	63,874	212,633	
Treasury stock, at cost	(5,883)	(0.6)	(5,528)	(0.7)	(355)	(5,356)	
Total owners' equity	416,944	44.0	352,494	42.1	64,450	316,079	40.9
Accumulated gains (losses) from valuation and translation adjustments							
Unrealized holding gains on available for-sale securities, net of tax	58,492	6.2	50,368	6.0	8,124	36,154	
Unrealized gains (losses) on hedging derivatives, net of tax	618	0.0	778	0.1	(160)	(726)	
Total accumulated gains (losses) from valuation and translation adjustments	59,110	6.2	51,147	6.1	7,963	35,427	4.6
Share subscription rights	967	0.1	365	0.0	602	365	0.0
Total Net Assets	477,022	50.3	404,007	48.2	73,015	351,872	45.5
Total Liabilities and Total Net Assets	947,415	100.0	837,412	100.0	110,003	773,151	100.0

(2) Non-Consolidated Statements of Income

(¥Million)

	1H / FY2007		1H / FY2006		Increase/(Decrease)		FY2006	
	Amount	%	Amount	%	Amount	%	Amount	%
Shipping and other operating revenues	764,269	100.0	598,255	100.0	166,014	27.7	1,243,985	100.0
Shipping and other operating expenses	640,739	83.8	536,960	89.8	103,779	19.3	1,104,015	88.7
Gross operating income	123,530	16.2	61,295	10.2	62,235	101.5	139,969	11.3
Selling, general and administrative expenses	15,019	2.0	13,797	2.3	1,222	8.9	28,260	2.3
Operating income	108,510	14.2	47,498	7.9	61,012	128.5	111,708	9.0
Non-operating income:								
Interest and Dividends	11,106		7,485		3,621	48.4	20,440	
Others	1,926		2,014		(88)	(4.4)	6,167	
Total	13,032	1.7	9,499	1.6	3,533	37.2	26,608	2.2
Non-operating expenses:								
Interest	2,106		2,018		88	4.4	4,234	
Others	3,709		1,863		1,846	99.1	5,098	
Total	5,816	0.8	3,882	0.6	1,934	49.8	9,333	0.8
Ordinary income	115,726	15.1	53,116	8.9	62,610	117.9	128,983	10.4
Extraordinary profit:								
Gain on sale of fixed assets	1		16		(15)		29	
Others	7,567		164		7,403		1,015	
Total	7,569	1.0	180	0.0	7,389	-	1,045	0.0
Extraordinary loss:								
Loss on sale of fixed assets	1,072		118		954		51	
Others	152		126		26		1,563	
Total	1,225	0.1	245	0.0	980	400.0	1,615	0.1
Income before income taxes	122,070	16.0	53,051	8.9	69,019	130.1	128,414	10.3
Income taxes - current	45,039	5.9	19,077	3.2	25,962	136.1	51,105	4.1
Income taxes - deferred	-	-	-	-	-	-	(4,026)	(0.3)
Net Income	77,030	10.1	33,974	5.7	43,056	126.7	81,334	6.5

(Presentation of Taxes) As tax expenses for the Half Year ended September 30, 2007, and September 30, 2006, are calculated using the simplified method, the tax adjustment is included in "Income taxes-current" in the statements of income above

(3) Non-Consolidated Statements of Shareholders' Equity

1H/FY2007 (April 1, 2007 - September 30, 2007)

(¥Million)

	Owners' Equity									
	Common stock	Capital surplus	Retained earnings						Treasury stock, at cost	Total owners' equity
			Legal earnings reserve	Other retained earnings						
				Reserve for special depreciation	Reserve for overseas investment loss	Reserve for advanced depreciation	Other reserve	Retained earnings brought forward		
Balance at Mar 31,2007	64,915	43,886	8,527	377	20	514	125,630	114,150	(5,528)	352,494
Net income								77,030		77,030
Appropriations										
New issue of stocks	435	435								870
Dividends paid								(13,156)		(13,156)
Addition to other reserve							50,000	(50,000)		-
Repurchases of treasury stocks									(737)	(737)
Disposal of treasury stocks		61							381	443
Net increase / decrease during the term except in Owners' Equity										-
Balance at Sep 30,2007	65,350	44,382	8,527	377	20	514	175,630	128,024	(5,883)	416,944

(¥Million)

	Accumulated gains (losses) from valuation and translation adjustments			Share Subscription Rights	Total Net Assets
	Unrealized holding gains on available for-sale securities, net of tax	Unrealized gains (losses) on hedging derivatives, net of tax	Total accumulated gains (losses) from valuation and translation adjustments		
Balance at Mar 31,2007	50,368	778	51,147	365	404,007
Net income					77,030
Appropriations					
New issue of stocks					870
Dividends paid					(13,156)
Addition to other reserve					-
Repurchases of treasury stocks					(737)
Disposal of treasury stocks					443
Net increase / decrease during the term except in Owners' Equity	8,123	(160)	7,963	601	8,565
Balance at Sep 30,2007	58,492	618	59,110	967	477,022

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	Forecast	MOL ADVANCE Plan	MOL ADVANCE Plan
Revenues (*1)	1,568	1,640	1,920	1,880	2,060
Bulkships	787	790	1,000	810	870
Containerships	568	620	688	820	910
Other 4 segments(*2)	212	230	232	250	280
Operating Income	168	182	270	197	212
Ordinary income	182	190	280	205	220
Bulkships	163	161	255	164	168
Containerships	3	10	10	20	30
Other 4 segments(*2)	18	20	20	22	23
Elimination	2	1	5	1	1
Net income	120	124	185	133	143
Ratio of ordinary income to revenue	11.6%	11.6%	14.6%	10.9%	10.7%

Av. Ex. Rate ¥117.40/US\$ ¥110.00/US\$ ¥114.88/US\$ ¥110.00/US\$ ¥110.00/US\$

Av. Bunker price US\$321/MT US\$300/MT US\$397/MT US\$300/MT US\$300/MT

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

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

(2) Financial Indices (Guideline)

(¥ Billion)

	2007.3	2007.6	"MOL ADVANCE" Guideline for 2010.3
Shareholders' Equity	550	646	860
Shareholders' Equity /Total assets	33.6%	34.4%	40% or more
Gearing ratio	103.4%	94.9%	less than 100%
ROA	7.8%		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

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		
Operating Income	58,642	77,405		
Ordinary income	64,493	79,145		
Income before income taxes	62,339	84,903		
Net income	33,945	52,732		
Net income per share [¥]	28.40	44.10		
Total assets [¥ Million]	1,736,856	1,880,686		
Total net assets	647,840	718,763		
Shareholders' Equity per share [¥]	481.95	540.06		

FY2006

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Apr.~Jun.,2006	Jul.~Sep.,2006	Oct.~Dec.,2006	Jan.~Mar.,2007
Revenues [¥ Million]	370,643	388,875	402,225	406,692
Operating Income	31,734	41,225	47,366	47,748
Ordinary income	35,381	43,087	50,208	53,812
Income before income taxes	39,406	41,515	59,399	57,534
Net income	22,642	25,092	39,820	33,386
Net income per share [¥]	18.95	20.99	33.32	27.94
Total assets [¥ Million]	1,467,081	1,537,133	1,596,410	1,639,940
Total net assets	505,854	532,226	571,720	620,989
Shareholders' Equity per share [¥]	365.32	387.09	420.53	460.78

3. Depreciation and Amortization

	Six months ended September 30, 2006	Six months ended September 30, 2007	Increase /Decrease	(Million yen)
				FY2006
Vessels	24,119	27,004	2,885	49,327
Others	8,966	9,496	530	19,254
Total	33,086	36,500	3,414	68,581

4. Interest-bearing Debt

	As of March 31, 2007	As of September 30, 2007	Increase /Decrease	(Million yen)
				As of September 30, 2006
Bank loans	420,855	447,696	26,841	400,835
Bonds	136,562	148,092	11,530	165,972
Commercial paper	12,000	5,000	7,000	20,500
Others	—	12,326	12,326	—
Total	569,417	613,115	43,698	587,308

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	86	6,534	59	8,608	27	1,796	31	505	29	1,253
Chartered	258	21,889	99	5,330	7	500	69	1,009	90	3,629
Others	1	152	0	0	2	143	0	0	0	0
Total	345	28,575	158	13,938	36	2,439	100	1,514	119	4,882
As of Mar.31,2007	336	28,156	159	14,191	36	2,439	94	1,425	109	4,376

	Ferries /Domestic carriers		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	18	87	1	5	1	5	252	18,793
Chartered	25	76	0	0	2	13	550	32,446
Others	2	2	0	0	0	0	5	297
Total	45	165	1	5	3	18	807	51,536
As of Mar.31,2007	39	143	1	5	3	18	777	50,753

6. Exchange Rates

	Six months ended September 30, 2006	Six months ended September 30, 2007	Change			FY2006
	Average rates	¥115.83	¥119.75	¥3.92	(3.3%)	¥ weaken
Term-end rates	¥117.90	¥115.43	¥2.47	(2.1%)	¥ appreciated	¥118.05

(Remark) "Average rates" are average of monthly corporate rates in each term, while "term-end

Overseas subsidiaries

	TTM on the end of June, 2006	TTM on the end of June, 2007	Change			TTM on the end of December, 2006
	Term-end rates	¥115.24	¥123.26	¥8.02	(6.5%)	¥ weaken

7. Bunker Prices

	Six months ended September 30, 2006	Six months ended September 30, 2007	Increase /Decrease	FY2006
	Consumption Prices	US\$339/MT	US\$354/MT	US\$15/MT

8. Outlook for FY2007

(¥ Billion)

Segments	Revenues	Operating Income	Ordinary Income
Bulkships	1,000	247	255
Containerships	688	6	10
Logistics	64	1	2
Ferry /Domestic Transport	53	0	0
Associated Businesses	105	12	13
Others	10	4	5
Elimination	-	1	5
Total	1,920	270	280

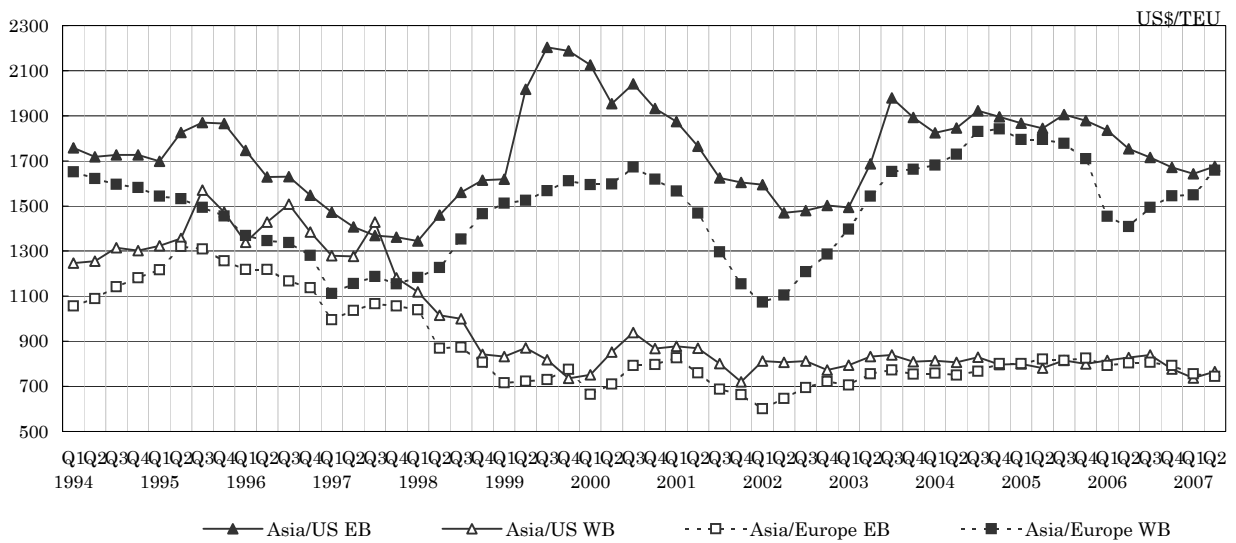
<Assumption>	Apr. ~ Jun., 2007 (Actual)	Jul. ~ Sep., 2007 (Actual)	Oct., 2007 ~ Mar., 2008	FY2007 (Average)
exchange rates	¥119.32/US\$	¥120.17/US\$	¥110.00/US\$	¥114.88/US\$
bunker prices	US\$331/MT	US\$377/MT	US\$440/MT	US\$397/MT

9. Containerships' Capacity, Lifting and Utilization

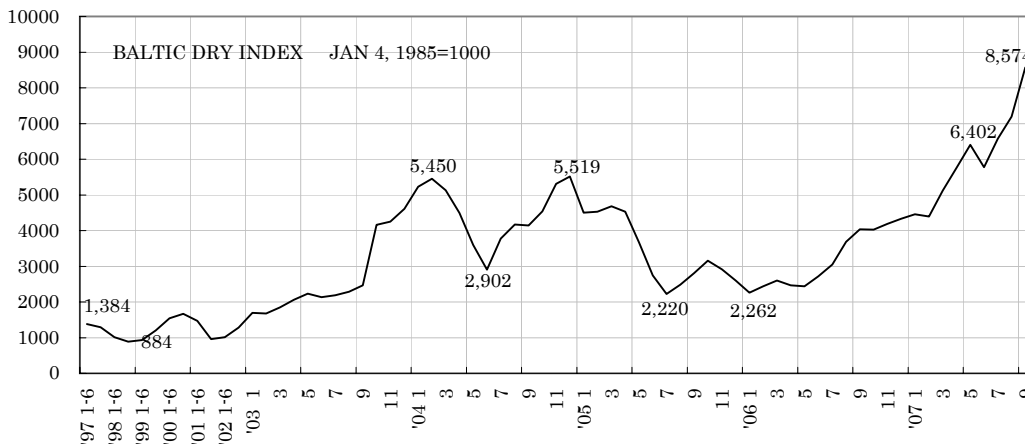
			Capacity(1000TEU)	Lifting(1000TEU)	Utilization
Asia -North America Trade	Outbound	FY2007 1st half	303	292	96%
		FY2006 1st half	284	263	93%
	Inbound	FY2007 1st half	293	169	58%
		FY2006 1st half	280	134	48%
Asia -Europe Trade	Outbound	FY2007 1st half	220	218	99%
		FY2006 1st half	217	207	95%
	Inbound	FY2007 1st half	209	129	62%
		FY2006 1st half	203	113	56%
Total: All Trades		FY2007 1st half	2,095	1,621	77%
		FY2006 1st half	1,914	1,422	74%

10. Market Information

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



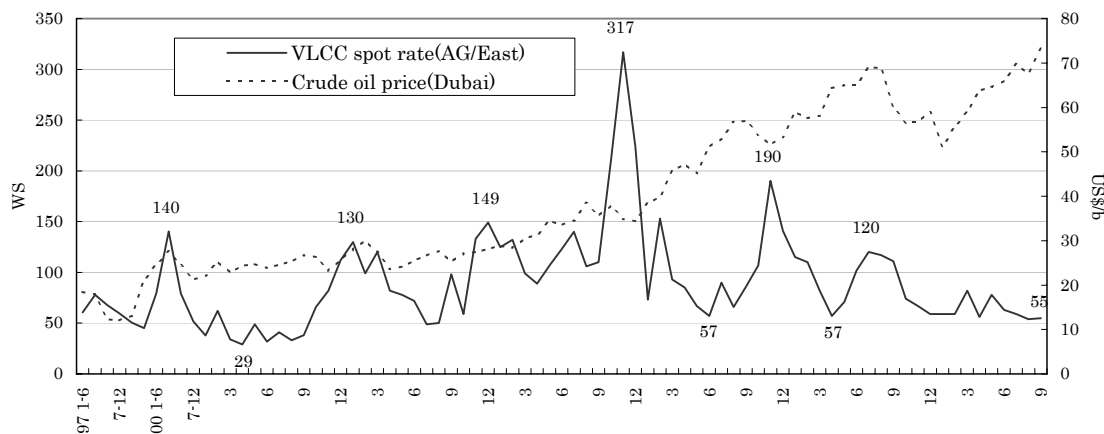
(2) Dry Bulk Market (Baltic Dry Index)



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Maximum	1,471	1,156	1,343	1,734	1,566	1,666	4,609	5,519	4,678	4,336	8,574
Minimum	1,237	799	803	1,371	855	931	1,674	2,902	2,220	2,262	4,398

**1997-2002 data on the graph are half-yearly averages. (Jan.~Sept.)

(3) VLCC Market



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Maximum	94	80	62	168	108	112	149	317	190	120	82
Minimum	52	47	36	55	35	29	49	89	57	57	54

**1997-2002 data on the graph are half-yearly averages. (Jan.~Sept.)