

Mitsui O.S.K. Lines, Ltd.

Financial Highlights: Fiscal Year 2008 Ended March 31, 2009

1. Consolidated Financial Highlights (from April 1, 2008 to March 31, 2009)

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

(1) Operational Results

	(¥Million)		(US\$ Thousand)
	FY2008	FY2007	FY2008
Revenues	1,865,802	1,945,696	18,994,218
Operating income	197,211	291,284	2,007,645
Ordinary income	204,510	302,219	2,081,951
Net income	126,987	190,321	1,292,752
	(¥)		(US\$)
Net income per share	106.13	159.14	1.080
Diluted net income per share	102.29	153.18	1.041
Rate of return to shareholders' equity	19.5%	30.9%	
Rate of ordinary income to assets	11.0%	17.1%	
Operating income margin ratio	10.6%	15.0%	

(2) Financial Position

	(¥Million)		(US\$ Thousand)
	FY2008	FY2007	FY2008
Total Assets	1,807,079	1,900,551	18,396,406
Total Net Assets	695,021	751,652	7,075,445
Shareholders' Equity / Total assets	34.5%	35.7%	
	(¥)		(US\$)
Shareholders' Equity per share	521.23	567.74	5.306

* Shareholders' Equity is defined as follows.

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

(3) Cash Flows

	(¥Million)		(US\$ Thousand)
	FY2008	FY2007	FY2008
Cash flows from operating activities	118,984	283,359	1,211,280
Cash flows from investing activities	(190,022)	(260,068)	(1,934,460)
Cash flows from financing activities	100,865	(11,730)	1,026,825
Cash & cash equivalent at the end of year	83,194	61,715	846,931

(4) Dividends

	(¥)					(¥Million)		
	Dividend per share					Total dividends paid (per year)	Dividend pay-out ratio	Dividend ratio to shareholders' equity
	Q1	Q2	Q3	Year end	Annual			
FY2007	—	14.00	—	17.00	31.00	37,111	19.5%	6.0%
FY2008	—	15.50	—	15.50	31.00	37,117	29.2%	5.7%

(5) Forecast of Consolidated Results for Fiscal Year ending March 31, 2010

	(¥Million)		(US\$ Thousand)
	Q2/FY2009	FY2009	FY2009
Revenues	670,000	1,400,000	14,432,990
Operating income	24,000	80,000	824,742
Ordinary income	24,000	80,000	824,742
Net income	10,000	40,000	412,371
	(¥)		(US\$)
Net income per share	8.36	33.43	0.345

* Underlying Assumption of the Forecast for FY2009

The above forecast is made assuming the exchange rate and the bunker price for FY2009.

Exchange Rate 1US\$=¥97.00

Bunker Price US\$ 300/MT

(Translation of foreign currencies)

The Japanese yen amounts for FY2008 have been translated into U.S. dollars using the prevailing exchange rate at March 31, 2009, which was ¥98.23 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.)

(Reference)**2. Non-Consolidated Financial Highlights (from April 1, 2008 to March 31, 2009)**

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

(1) Operational Results

	(¥ Million)		(US\$ Thousand)
	FY2008	FY2007	FY2008
Revenues	1,528,301	1,588,548	15,558,394
Operating income	145,805	232,260	1,484,323
Ordinary income	172,988	260,179	1,761,051
Net income	93,601	173,291	952,876
		(¥)	(US\$)
Net income per share	78.18	144.81	0.796
Diluted net income per share	75.35	139.39	0.767

(2) Financial Position

	(¥ Million)		(US\$ Thousand)
	FY2008	FY2007	FY2008
Total Assets	1,008,382	974,757	10,265,520
Total Net Assets	559,168	529,426	5,692,436
Shareholders' Equity / Total assets	55.3%	54.2%	
		(¥)	(US\$)
	FY2008	FY2007	FY2008
Shareholders' Equity per share	465.90	441.39	4.743

(Translation of foreign currencies)

The Japanese yen amounts for FY2008 have been translated into U.S. dollars using the prevailing exchange rate at March 31, 2009, which was ¥98.23 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 climate during FY2008**

Consolidated financial highlights (Billions of Yen)

	FY2007 From Apr. 1, 2007 to Mar. 31, 2008	FY2008 From Apr. 1, 2008 to Mar. 31, 2009	Year-on-Year Comparison (variance)
Revenue	1,945.6	1,865.8	-79.8/-4.1%
Operating income	291.2	197.2	-94.0 /-32.3%
Ordinary income	302.2	204.5	-97.7/-32.3%
Net income	190.3	126.9	-63.3/-33.3%
Exchange rate	¥115.55/US\$	¥100.30/US\$	¥15.25/US\$
Bunker price	US\$409/MT	US\$528/MT	US\$119/MT

We faced a global economic crisis in the latter half of fiscal year (FY) 2008, ending March 31, 2009. The business climate rapidly worsened following the collapse of Lehman Brothers in the fall of 2008. The world economy deteriorated sharply as problems in the financial markets surfaced following the collapse, particularly in the U.S., seriously impacting on capital investment, personal consumption, employment, and economic growth in China.

The average yen-U.S. dollar rate for FY2008 was ¥100.30/US\$, reflecting a marked appreciation of the yen during FY2008 compared to the previous year. Although bunker prices declined rapidly in the second half of the financial year, the average price for FY2008 was still high at US\$528/MT. The high bunker prices and a strong yen combined to negatively impact on our profits.

The spot freight rate market for dry bulkers initially continued at a high level following on from the previous year, but dropped rapidly in the second half of the financial year as the economic crisis gained momentum. Freight rates for Very Large Crude Carriers (VLCCs) and petrochemical product takers (MR-type) remained strong up to the end of 2008, but have continued to slide since the 2009 New Year. In the containership business, fleet supply and demand has deteriorated, even on the major East /West routes, causing a slump in both cargo liftings and freight rates.

As a result of these events, revenue for FY2008 totaled ¥1,865.8 billion; operating income ¥197.2 billion; ordinary income ¥ 204.5 billion, and net income ¥126.9 billion.

Despite the wild fluctuation of the business climate, we posted the second highest ordinary income in our history, with only the results of FY2007 being higher. These results are attributable to a strong performance during the first half of FY2008.

The chart below shows a comparison of consolidated financial results by segment between FY2007 and FY2008.

Upper: Revenue, Middle: Operating Income, Lower: Ordinary Income

(Billions of Yen)

	FY2007 From Apr. 1, 2007 to Mar. 31, 2008	FY2008 From Apr. 1, 2008 to Mar. 31, 2009	Year-on-Year comparison (variance)
Bulkships	1,027.2	1,001.6	-25.5 / -2.5%
	268.6	205.4	-63.1 / -23.5%
	277.5	213.3	-64.2 / -23.1%
Containerships	688.5	641.3	-47.2 / -6.9%
	1.3	-23.3	-24.6 / -%
	6.8	-21.3	-28.2 / -%
Logistics	62.7	57.6	-5.1 / -8.2%
	1.1	-0.1	-1.3 / -%
	2.2	0.8	-1.3 / -62.9%
Ferry and Domestic Transport	53.2	54.7	1.5 / 2.9%
	1.2	-0.1	-1.3 / -%
	0.4	-0.8	-1.3 / -%
Associated Businesses	129.0	126.6	-2.4 / -1.9%
	12.3	11.7	-0.6 / -4.9%
	13.8	12.9	-0.8 / -6.1%
Others	23.0	24.1	1.1 / 4.9%
	7.6	4.6	-2.9 / -38.5%
	5.0	2.7	-2.2 / -44.7%

Note: Revenue includes internal sales or transfers among segments.

(A) Bulkships

<Dry Bulkers>

The worldwide seaborne trade of iron ore during 2008 totaled about 840 million tons, an 8% increase from 2007, with China's import volume making up about 440 million tons of this total, a 16% increase. Revenue and profits for the first half of the fiscal year reached new heights, thanks to the rise in freight rates in response to increasing cargo traffic. The average rate for four Cape-size routes marked a record high of \$234,000/day in June, but the market showed a steep drop as the economic crisis worsened. By early December, it had slackened to \$2,300/day, but we are now seeing signs of a recovery.

As a result, profits for the second half of FY2008 in this sector declined drastically, although the full year showed solid results due to the strong performance in the first half of the fiscal year.

Earnings in the iron ore carrier business reached a record high during the first half of the fiscal year, thanks to our aggressive approach to expanding the business. During the second half of the fiscal year, the spot market deteriorated, but we saw continued earnings growth on a year-on-year basis, again thanks to favorable conditions during the first half of the fiscal year. The tramp market was strong during the first half, but both earnings and income for the full year decreased due to a poor second half showing. Earnings in the wood chip carrier business increased slightly thanks to the launch of a number of newly built vessels, but profits for the full year decreased compared to the previous year due to the lower profitability of free tonnage and increased costs. Both revenue and income in the coal carrier business reached a new record high in FY2008, despite the market deterioration in the latter half of the fiscal year. This reflects our efforts to secure stable and long-term profits in this sector.

<Tankers/LNG Carriers>

Both the crude oil tanker and petrochemical product tanker markets performed strongly in the first half of the fiscal year thanks to favorable worldwide market conditions, but conditions declined slowly during the second half. However, both crude oil and petrochemical product tankers increased profits for the full year compared to FY2007. The LPG carrier market was bolstered by the growing demand for LPG during the first half of the fiscal year, but trade stagnated in September, followed by a brief rise before falling rapidly. In the overall tanker segment, both revenue and profits increased from FY2007 due to the contribution made by 13 newly built vessels launched during the term. These vessels included four crude oil tankers launched during the changing market conditions. Factors that squeezed profitability included an increasing number of vessels in dry dock for their periodic inspection and a steep rise in seafarer wages. Nonetheless, as initially planned, we completed the replacement of all single-hull VLCCs, one of the company's key environmental initiatives.

Our company is generally able to secure stable earnings in the LNG carrier business based on long-term contracts. However, profits decreased in FY2008 due to the appreciating yen.

<Car Carriers>

The car carrier business saw strong trade from the Far East during the first half of the fiscal year, with a constant shortage of available vessels. However, with the collapse of economies across the world during the second half, vehicle sales plummeted and automakers reduced production, creating a surplus of available space. Despite the selling off and return of aged chartered vessels to reduce costs, profits took a hit and were lower than those of the previous year.

(B) Containerships

In the containership segment, we laid up surplus vessels to reduce space and offset the fall in cargo trade, including that on the major Asia-North America (eastbound) and Asia-Europe (westbound) routes. We also took action to minimize losses on routes where competition is intense and profitability difficult or impossible to achieve, including discontinuing some services such as the Asia-Black Sea service. With regard to costs, we strived to reduce fuel expenses by such methods as deceleration navigation in the face of high bunker prices, particularly during the first half of the fiscal year. Other cost reduction efforts included reducing terminal loading/discharging costs, reviewing feeder ship charges, examining vessel operation costs, and reducing the containership fleet. However, freight rates on all routes, including Asia-Europe, dropped as cargo volume declined and competition increased, and our cost-cutting efforts did not offset the falling rates. Overall, profits in this segment decreased by a significant margin. Bunker prices, which had risen steeply in the first half of the fiscal year, declined later in the year, but we did not receive the full benefit as we had hedged the risk of higher prices through a bunker swap arrangement - another factor in the reduced profitability of our containership business.

In the terminal business, we opened our third container terminal in North America at the Port of Jacksonville, Florida, in January 2009. We aim to offer efficient, high-quality services, utilizing the knowledge and know-how gained at the ports of Los Angeles and Oakland on the U.S. West Coast. In addition, we have decided to participate in the Vietnamese government's container terminal project in the Cai Mep region, and signed a contract to establish a joint terminal operation company in February 2009. Income from the containership-related business, including operation of our own terminals (four in Japan, two in the United States) and other harbor and port operations decreased compared to the previous year, as cargo traffic declined in response to the global economic downturn.

(C) Logistics

Income in the air cargo transport business for this fiscal year showed a major decrease compared to the previous year as the economic downturn and declining cargo volumes on a global scale during the second half of the year outstripped our emergency measures, which included cost reductions. On the other hand, we pushed ahead with our development and strengthening of the MOL Consolidation Service (MCS)^(*) business which will allow us to offer an integrated service from freight receiving facilities to the destination. The MCS business has grown steadily, earning new business from major U.S. retail chains.

(*) MOL Consolidation Service (MCS) is a logistics service that supports "buyer's consolidation," in which major retailers and apparel companies, mainly from Europe and the U.S., buy products directly from China and other Asian nations.

(D) Ferry and Domestic Transport

In the ferry and domestic transport business, as part of our core business strategy, we have proactively consolidated and restructured group companies to enhance competitiveness, creating group-wide strength and synergy. Earnings in this sector were flat during the second half of the fiscal year, but skyrocketing bunker prices in the first half reduced profits and the slowdown of the global economy had a huge impact on the physical distribution business in Japan. Our group companies were acutely affected by these factors. We pushed ahead with rationalization measures such as cutting fuel expenditures, withdrawing vessels, and reassessing calling ports. However, profitability in this segment declined and a loss was posted for the year.

The domestic transport business suffered from the recession that started towards the end of 2008. Earnings in this segment deteriorated rapidly, particularly because the seaborne trade of steel products decreased in line with reduced production in the automobile industry. We worked hard to reduce charter fees and other costs, but could not maintain profitability. As stated above, the overall ferry and domestic transport business segment saw a large decrease in profits from the previous year, and went into the red.

(E) Associated Businesses

The real estate business showed the same level of profits as the previous year. The rental office market showed a rising vacancy rate overall, as a result of the recession. However,

earnings of Daibiru Corporation, a core part of our real estate business, remained strong, thanks mainly to its office buildings in prime central Tokyo locations. Nevertheless, vacancy rates inched up in office buildings that have not been remodeled. The cruise ship business succeeded in attracting more passengers than in FY2007, but the steep rise in bunker prices kept profits down. In the trading business, earnings in the fuel sales business increased along with fuel prices, and ship supply and material sales remained favorable, resulting in higher profits compared to the previous year. Overall profits in the associated businesses showed an increase from FY2007.

(F) Others

Other businesses, which are mainly cost centers, include ship operations, ship management, ship chartering, financing, and shipbuilding. Overall profits for FY2008 in this segment decreased compared to FY2007.

(2) Outlook for FY2009

(Billions of Yen)

	Results for FY2008 From Apr. 1, 2008 to Mar. 31, 2009	Outlook for FY2009 From Apr. 1, 2009 to Mar. 31, 2010	Year-on-Year comparison (variance)
Revenue	1,865.8	1,400.0	-465.8/-25.0%
Operating income	197.2	80.0	-117.2/-59.4%
Ordinary income	204.5	80.0	-124.5/-60.9%
Net income	126.9	40.0	-86.9/-68.5%
Exchange rate	¥100.30/US\$	¥97.00/US\$	-¥3.30/US\$
Bunker price	US\$528/MT	US\$300/MT	-US\$228/MT
		(Assumption for FY2009)	

Ocean shipping markets for dry bulkships, tankers, and containerships have slowed down in step with the global economic downturn, but China's economic index in particular is showing signs that the slump has bottomed out. Looking ahead to the next fiscal year, we assume that the market will show a degree of recovery starting in the summer of 2009. In addition, we plan to push forward with our group-wide ¥40 billion cost reduction efforts and ensure stable long-term profits.

In the dry bulker market, supply pressure from newly built vessels may pose the risk of

a slowdown in the market. However, China's demand for iron ore remains high despite protracted price negotiations with major ore suppliers. When these negotiations conclude, we can expect to see a rise in the Cape-size freight rate market. Looking at tankers, both crude oil and petroleum product tanker markets remain at record low levels, but both the U.S. Department of Energy and OPEC expect petroleum demand to rise starting in the second half of FY2009. The market is likely to have recovered by winter, when demand becomes strong. In the car carrier business, although the unit volume has declined following the large adjustment in production, we expect the inventory levels to ease back by the summer, with a corresponding upturn in transport volume starting in the second half of FY2009. In the containership business, whilst working vigorously to restore freight rate levels, we will push ahead with rationalization measures for all ship types, including lay up of surplus ships, scrapping of aged vessels, and return of short-term chartered vessels. However, we realize that a full recovery of seaborne trade will take some time.

In consideration of these prospects, we project consolidated revenue for FY2009 of ¥1,400 billion; consolidated operating income of ¥80 billion; consolidated ordinary income of ¥80 billion, and consolidated net income of ¥40 billion.

4. Financial Position

Total assets for the FY2008, ended March 31, 2009, were 1,807 billion yen, a decrease of 93.4 billion yen from the end of the previous fiscal year. This was mainly due to a decrease in trade receivables and investment securities despite an increase in vessels and in buildings and structures. Total liabilities decreased by 36.8 billion yen from the end of the previous fiscal year to 1,112 billion yen. This was mainly due to a decrease in accrued income taxes and advances received despite an increase in short-term and long-term bank loans. Total net assets decreased by 56.6 billion yen from the end of the previous fiscal year to 695 billion yen mainly due to a decrease in accumulated losses from valuation and translation adjustment despite an increase in retained earnings, which mainly resulted from 126.9 billion yen of consolidated net income for FY2008. As a result, the shareholders' equity / total assets ratio decreased to 34.5%.

5. Cash Flow

Cash and cash equivalents (hereinafter called "cash") at the end of FY2008 totaled 83.1 billion yen, 21.4 billion yen increase from the end of the previous year.

Net cash provided by operating activities during FY2008 totaled 118.9 billion yen, 164.3 billion

yen decrease from the same period of the previous year. Income before income taxes and minority interests for the fiscal year was 197.7 billion yen, and depreciation and amortization totaled 78.1 billion yen. Income taxes paid totaled 138.9 billion yen.

Net cash used in investing activities during FY2008 totaled 190.0 billion yen, 70.0 billion yen decrease from the same period of the previous year. This result was mainly due to 209.8 billion yen for payments for vessels and other tangible and intangible fixed assets.

Net cash provided by financing activities during FY2008 totaled 100.8 billion yen, 112.5 billion yen increase from the same period of the previous year. This primarily consisted of increase in long-term loans.

6. Basic policy on profit sharing and dividends

Our key management policies are an enhancement of corporate value with proactive capital investment and a direct return of profits to shareholders through dividends. Based on the mid-term management plan MOL ADVANCE, we will continue our proactive investment stance, mainly in vessels. We will utilize internal capital reserves to cover investment funds, while reinforcing corporate strength, to further raise our per-share corporate value. Considering these factors, we will maintain a benchmark dividend payout ratio of 20% for the time being, and pay dividends in relation to consolidated performance. However, as a mid- and long-term management task we will work to increase the payout ratio.

Although unprecedented business climate changes — a steep rise in the dry bulker market, global economic crisis, etc. — have had a major impact on earnings for FY2008, we keep the plan to pay an annual dividend of ¥31 per share for FY2008 (including an interim dividend of ¥15.5 already paid), which is the same as for the previous year. Dividend payments for the next term will be announced after an assessment of the future business climate.

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 March 31, 2009	As of March 31, 2008
Assets		
Current assets		
Cash and cash equivalents	83,784	62,982
Trade receivables	186,625	244,535
Marketable securities	13	41
Fuel and supplies	28,151	46,650
Deferred and prepaid expenses	57,585	71,526
Deferred tax assets	5,128	5,018
Other current assets	67,513	75,647
Allowance for doubtful accounts	(203)	(324)
Total Current Assets	428,597	506,077
Fixed assets		
Tangible fixed assets		
Vessels	609,753	598,585
Buildings and structures	128,113	88,732
Equipments, mainly containers	14,790	11,119
Equipments and parts	5,286	5,661
Land	180,237	180,588
Vessels and other property under construction	165,820	162,196
Other tangible fixed assets	2,743	940
Total tangible fixed assets	1,106,746	1,047,824
Intangible fixed assets		
Goodwill	4,783	7,167
Other intangible fixed assets	9,501	9,668
Total intangible fixed assets	14,285	16,835
Investments and other assets		
Investment securities	180,362	230,940
Long-term loans receivable	39,923	29,651
Prepaid expenses	4,430	5,757
Deferred tax assets	5,755	2,818
Other long-term assets	29,161	62,803
Allowance for doubtful accounts	(2,181)	(2,158)
Total investments and other assets	257,450	329,813
Total fixed assets	1,378,482	1,394,473
Total assets	1,807,079	1,900,551

(1) Consolidated Balance Sheets

(¥Million)

	As of March 31, 2009	As of March 31, 2008
Liabilities		
Current liabilities		
Trade payables	167,471	180,281
Short-term bonds	23,276	29,106
Short-term bank loans	142,804	86,314
Accrued income taxes	8,010	82,214
Advances received	19,378	85,950
Deferred tax liabilities	416	1,008
Allowance		
for provision for bonuses	5,208	5,696
for provisions for director's bonuses	343	274
for provisions for loss on business liquidation	88	—
Commercial paper	20,500	10,000
Other current liabilities	53,411	47,543
Total Current Liabilities	440,909	528,390
Fixed liabilities		
Bonds due	132,671	137,906
Long-term bank loans	366,521	321,373
Deferred tax liabilities	31,564	66,402
Allowance		
for employees' severance and retirement benefits	14,626	14,469
for Directors' and corporate auditors' retirement benefits	2,242	2,160
for provisions for special repairs	16,091	15,457
Other fixed liabilities	107,429	62,738
Total Fixed Liabilities	671,148	620,508
Total Liabilities	1,112,058	1,148,898
Net Assets		
Owners' equity		
Common stock	65,400	65,350
Capital surplus	44,543	44,449
Retained earnings	623,626	536,096
Treasury stock, at cost	(6,438)	(6,051)
Total owners' equity	727,131	639,844
Accumulated gains (losses) from valuation and translation adjustments		
Unrealized holding gains on available-for-sale-securities, net of tax	6,165	31,647
Unrealized gains on hedging derivatives, net of tax	(71,459)	12,051
Foreign currency translation adjustments	(38,122)	(4,227)
Total accumulated gains (losses) from valuation and translation adjustments	(103,416)	39,471
Share subscription rights	1,306	967
Minority interests	70,000	71,369
Total Net Assets	695,021	751,652
Total Liabilities and Total Net Assets	1,807,079	1,900,551

(2) Consolidated Statements of Income

(¥Million)

	FY2008 (Apr.1, 2008 - Mar.31, 2009)	FY2007 (Apr.1, 2007 - Mar.31, 2008)
Shipping and other operating revenues	1,865,802	1,945,696
Shipping and other operating expenses	1,564,485	1,544,109
Gross operating income	301,316	401,587
Selling, general and administrative expenses	104,104	110,302
Operating income	197,211	291,284
Non-operating income:		
Interest income	2,871	4,113
Dividend income	5,088	4,667
Equity in earnings of unconsolidated subsidiaries and affiliated companies	15,999	18,193
Others	7,441	12,013
Total	31,401	38,992
Non-operating expenses:		
Interest expense	13,929	18,065
Exchange loss	4,610	5,612
Loss on valuation of derivatives	3,750	—
Others	1,811	4,381
Total	24,102	28,058
Ordinary income	204,510	302,219
Extraordinary profit:		
Gain on sale of fixed assets	12,284	19,485
Gain on sale of investment securities	21	3,528
Cancellation fee for chartered ships	5,572	9,584
Others	2,393	1,549
Total	20,272	34,148
Extraordinary loss:		
Loss on sale or disposal of fixed assets	354	1,741
Loss on retirement of fixed assets	369	325
Loss on liquidation of affiliates	121	64
Valuation loss on investment securities	3,207	2,955
Valuation loss on investments in affiliated companies	38	175
Loss on sale of investment securities	3	19
Loss on sale of investments in affiliated companies	—	10
Provision for allowance for doubtful accounts	223	71
Special retirement expenses	111	78
Cancellation fee for chartered ships	20,123	—
Provision for allowance for prior period extraordinary expense	—	10,846
Others	2,496	1,875
Total	27,050	18,164
Income before income taxes and minority interests	197,732	318,202
Income taxes - current	65,712	120,877
Minority interests in earnings of consolidated subsidiaries	5,032	7,004
Net income	126,987	190,321

(3) Consolidated Statement of Changes in Net Assets

FY2008 (April 1, 2008 - March 31, 2009)

(¥Million)

	Owners' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total owners' equity
Balance at Mar 31, 2008	65,350	44,449	536,096	(6,051)	639,844
Net income			126,987		126,987
Appropriations					
New issue of stocks (Exercise of Share subscription rights)	50	50			100
Dividends paid			(38,911)		(38,911)
Due to change in consolidated subsidiaries			(98)		(98)
Due to change in affiliated companies accounted for by the equity method			(1)		(1)
Repurchase of treasury stock				(1,118)	(1,118)
Disposal of treasury stock		44		730	775
Net increase / decrease during the term except in Owners' Equity					
Increase / decrease in retained earnings due to changes in accounting period of consolidated subsidiaries			(446)		(446)
Balance at Mar 31, 2009	65,400	44,543	623,626	(6,438)	727,131

(¥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, 2008	31,647	12,051	(4,227)	39,471	967	71,369	751,652
Net income							126,987
Appropriations							
New issue of stocks (Exercise of Share subscription rights)							100
Dividends paid							(38,911)
Due to change in consolidated subsidiaries							(98)
Due to change in affiliated companies accounted for by the equity method							(1)
Repurchase of treasury stock							(1,118)
Disposal of treasury stock							775
Net increase / decrease during the term except in Owners' Equity	(25,481)	(83,511)	(33,894)	(142,887)	338	(1,368)	(143,917)
Increase / decrease in retained earnings due to changes in accounting period of consolidated subsidiaries							(446)
Balance at Mar 31, 2009	6,165	(71,459)	(38,122)	(103,416)	1,306	70,000	695,021

(4) Consolidated statements of Cash flows

(¥ Million)

	Apr. 1, 2008- Mar.31, 2009	Apr.1, 2007- Mar.31, 2008
Cash flows from operating activities:		
Income before income taxes and minority interests	197,732	318,202
Depreciation and amortization	78,155	74,480
Equity in earnings of unconsolidated subsidiaries and affiliated companies,net	(15,999)	(18,198)
Loss (gain) on write-down of investment securities	3,207	2,955
Loss (gain) on write-down of investments in affiliated companies	38	175
Various provisions (reversals)	1,159	11,488
Interest and dividend income	(7,960)	(8,781)
Interest expense	13,929	18,065
Loss (gain) on the sale of investment securities	(18)	(3,508)
Loss (gain) on the sale of investments in affiliated companies	—	10
Loss (gain) on sale and disposal of vessels, property, plant and equipment	(11,559)	(17,439)
Exchange loss (gain),net	930	4,507
Changes in operating assets and liabilities		
- Trade receivables	19,238	(46,126)
- Fuel and supplies	17,938	(18,278)
- Trade payables	(5,171)	28,052
Other,net	(35,304)	11,933
Sub total	256,317	357,537
Cash received for interest and dividend	15,437	14,996
Cash paid for interest	(13,794)	(17,783)
Cash paid for corporate income tax, resident tax and enterprise tax	(138,976)	(71,390)
Net cash provided by operating activities	118,984	283,359
Cash flows from investing activities:		
Purchase of marketable and investment securities	(13,839)	(13,726)
Proceeds from sale and redemption of marketable and investment securities	6,646	5,925
Payments for purchases of vessels and other tangible and intangible fixed assets	(209,881)	(286,983)
Proceeds from sale of vessels and other tangible and intangible fixed assets	34,420	43,068
Net (increase) decrease in short-term loans receivable	5,744	(3,715)
Disbursements for loans receivable	(18,656)	(10,931)
Collections of loans receivable	4,242	8,566
Other, net	1,301	(2,273)
Net cash used in investing activities	(190,022)	(260,068)
Cash flows from financing activities:		
Net increase (decrease) in short-term bonds	(15,469)	15,614
Net increase (decrease) in short-term bank loans	64,416	(52,394)
Net increase (decrease) in commercial paper	10,500	(2,000)
Proceeds from long-term bank loans	142,444	131,645
Repayments of long-term bank loans	(73,704)	(86,778)
Proceeds from issuance of bonds	32,036	29,269
Redemption of bonds	(17,256)	(13,271)
Purchase of treasury stock	(1,118)	(1,139)
Sale of treasury stock	775	746
Cash dividends paid by the company	(38,880)	(29,898)
Cash dividends paid to minority interests	(2,434)	(2,904)
Other, net	(442)	(617)
Net cash (used in) provided by financing activities	100,865	(11,730)
Effect of exchange rate changes on cash and cash equivalents	(8,485)	(2,289)
Net increase (decrease) in cash and cash equivalents	21,342	9,271
Cash and cash equivalents at beginning of year	61,715	51,382
Net cash increase (decrease) from new consolidation/de-consolidation of subsidiaries	150	1,061
Increase(decrease) in cash and cash equivalents due to change in accounting periods for consolidated subsidiaries	(14)	—
Cash and cash equivalents at end of period	83,194	61,715

(5) Segment Information

1. Business segment information:

(¥Million)

FY2008	Bulk-ships	Container-ships	Logistics	Ferry & Domestic Transport	Associated Businesses	Others	Total	Elimination	Consolidated
I. Revenues									
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	998,542	639,694	56,270	54,534	107,033	9,727	1,865,802	—	1,865,802
2.Inter-segments revenues	3,111	1,607	1,354	230	19,608	14,463	40,375	(40,375)	—
Total Revenues	1,001,653	641,302	57,625	54,764	126,641	24,190	1,906,177	(40,375)	1,865,802
Operating income/ (loss)	205,482	(23,342)	(190)	(103)	11,763	4,673	198,283	(1,071)	197,211
Ordinary income/ (loss)	213,345	(21,329)	822	(888)	12,976	2,767	207,694	(3,183)	204,510
II.									
Assets	910,659	362,536	47,053	42,664	293,066	376,655	2,032,636	(225,556)	1,807,079
Depreciation	48,949	15,398	1,413	3,948	6,033	2,156	77,899	256	78,155
Capital expenditures	154,274	36,640	971	1,082	26,643	3,562	223,175	32	223,208

(¥Million)

FY2007	Bulk-ships	Container-ships	Logistics	Ferry & Domestic Transport	Associated Businesses	Others	Total	Elimination	Consolidated
I. Revenues									
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	1,024,797	686,828	61,236	53,099	108,859	10,875	1,945,696	—	1,945,696
2.Inter-segments revenues	2,443	1,751	1,504	139	20,198	12,182	38,219	(38,219)	—
Total Revenues	1,027,240	688,580	62,741	53,238	129,057	23,057	1,983,916	(38,219)	1,945,696
Operating expenses	758,561	687,266	61,608	52,024	116,691	15,453	1,691,606	(37,194)	1,654,412
Operating income/ (loss)	268,679	1,313	1,132	1,214	12,366	7,603	292,310	(1,025)	291,284
Ordinary income/ (loss)	277,570	6,882	2,215	497	13,812	5,005	305,984	(3,765)	302,219
II.									
Assets	989,607	352,856	55,960	50,686	290,991	412,947	2,153,049	(252,498)	1,900,551
Depreciation	46,828	13,523	1,537	3,365	6,225	2,775	74,255	224	74,480
Capital expenditures	198,809	80,485	716	10,452	9,736	3,401	303,601	(28)	303,573

2. Geographical segment information:

(¥Million)

FY2008	Japan	North America	Europe	Asia	Other	Total	Elimination	Consolidated
I. Revenues								
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	1,796,589	28,413	13,808	26,920	70	1,865,802	—	1,865,802
2.Inter-segments revenues	5,984	15,868	11,217	10,119	4,599	47,788	(47,788)	—
Total Revenues	1,802,573	44,281	25,026	37,040	4,669	1,913,590	(47,788)	1,865,802
Operating income/ (loss)	186,120	6,741	3,561	3,091	71	199,587	(2,375)	197,211
Ordinary income/ (loss)	201,619	7,382	1,141	3,734	123	214,001	(9,490)	204,510
II. Assets	1,700,508	47,342	115,896	35,380	54,954	1,954,082	(147,002)	1,807,079

(¥Million)

FY2007	Japan	North America	Europe	Asia	Other	Total	Elimination	Consolidated
I. Revenues								
1.Revenues from customers, unconsolidated subsidiaries and affiliated companies	1,866,520	40,391	15,591	23,001	191	1,945,696	—	1,945,696
2.Inter-segments revenues	5,630	18,037	13,843	10,029	3,949	51,490	(51,490)	—
Total Revenues	1,872,151	58,428	29,435	33,030	4,141	1,997,187	(51,490)	1,945,696
Operating expenses	1,598,131	45,359	23,744	31,546	4,071	1,702,853	(48,441)	1,654,412
Operating income/ (loss)	274,019	13,069	5,691	1,484	69	294,334	(3,049)	291,284
Ordinary income/ (loss)	297,195	14,625	1,723	2,086	81	315,712	(13,493)	302,219
II. Assets	1,775,035	55,332	157,599	40,646	28,735	2,057,348	(156,796)	1,900,551

3. International business information:

(¥Million)

FY2008	North America	Europe	Asia	Latin America	Oceania	Other	Total
I. International revenues	381,428	288,009	364,654	216,353	300,462	125,621	1,676,529
II. Consolidated revenues	—	—	—	—	—	—	1,865,802
III. Ratio of international revenues to consolidated revenues	20.4%	15.4%	19.5%	11.6%	16.1%	6.7%	89.9%

(¥Million)

FY2007	North America	Europe	Asia	Latin America	Oceania	Other	Total
I. International revenues	424,031	317,667	373,041	221,417	297,075	113,759	1,746,993
II. Consolidated revenues	—	—	—	—	—	—	1,945,696
III. Ratio of international revenues to consolidated revenues	21.8%	16.3%	19.2%	11.4%	15.3%	5.8%	89.8%

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 March 31, 2009	As of March 31, 2008
Assets		
Current assets	467,005	449,048
Fixed assets	541,377	525,708
Tangible fixed assets	101,710	101,527
Intangible fixed assets	10,589	14,712
Investments and other long-term assets	429,077	409,468
Total Assets	1,008,382	974,757

	As of March 31, 2009	As of March 31, 2008
Liabilities		
Current liabilities	311,835	360,545
Non-current liabilities	137,378	84,784
Total Liabilities	449,214	445,330
Net Assets		
Owners' equity		
Common stock	65,400	65,350
Capital surplus	44,530	44,439
Retained earnings	447,287	392,597
Treasury stock, at cost	(6,320)	(5,943)
Total owners' equity	550,897	496,443
Accumulated gains (losses) from valuation and translation adjustments		
Unrealized holding gains on available for-sale securities, net of tax	7,792	29,110
Unrealized gains on hedging derivatives, net of tax	(828)	2,905
Total accumulated gains (losses) from valuation and translation adjustments	6,964	32,016
Share subscription rights	1,306	967
Total Net Assets	559,168	529,426
Total Liabilities and Total Net Assets	1,008,382	974,757

(2) Non-Consolidated Statements of Income

(¥Million)

	FY2008	FY2007
Shipping and other operating revenues	1,528,301	1,588,548
Shipping and other operating expenses	1,349,249	1,324,997
Gross operating income	179,051	263,550
Selling, general and administrative expenses	33,246	31,290
Operating income	145,805	232,260
Non-operating income:		
Interest and Dividend income	32,657	33,628
Others	4,916	8,711
Total	37,573	42,340
Non-operating expenses:		
Interest expense	1,818	3,302
Others	8,571	11,118
Total	10,390	14,420
Ordinary income	172,988	260,179
Extraordinary profit:		
Gain on sale of fixed assets	0	20
Others	5,578	18,037
Total	5,578	18,057
Extraordinary loss:		
Loss on sale of fixed assets	204	1,073
Others	25,988	2,120
Total	26,192	3,193
Income before income taxes	152,373	275,043
Income taxes - current	53,737	100,429
Income taxes - deferred	5,035	1,323
Net Income	93,601	173,291

(3) Non-Consolidated Statement of Changes in Net Assets

FY2008 (April 1, 2008 - March 31, 2009)

(¥Million)

	Owners' Equity									
	Common stock	Capital surplus	Retained earnings						Treasury stock, at cost	Total owners' equity
			Legal earnings reserve	Other retained earnings				Retained earnings brought forward		
				Reserve for special depreciation	Reserve for overseas investment loss	Reserve for advanced depreciation	Other reserve			
Balance at Mar 31, 2008	65,350	44,439	8,527	1,227	30	504	175,630	206,677	(5,943)	496,443
Net income								93,601		93,601
Appropriations										
New issue of stocks (Exercise of Share subscription rights)	50	50								100
Dividends paid								(38,911)		(38,911)
Addition to reserve for special depreciation				1,816				(1,816)		-
Reversal of reserve for special depreciation				(193)				193		-
Addition to reserve for overseas investment loss					6			(6)		-
Reversal of reserve for advanced depreciation						(134)		134		-
Addition to other reserve							120,000	(120,000)		-
Repurchase of treasury stock									(1,115)	(1,115)
Disposal of treasury stock		41							737	779
Net increase / decrease during the term except in Owners' Equity										
Balance at Mar 31, 2009	65,400	44,530	8,527	2,850	37	370	295,630	139,871	(6,320)	550,897

(¥Million)

	Accumulated gains from valuation and translation adjustments			Share subscription rights	Total Net Assets
	Unrealized holding gains on available-for-sale securities, net of tax	Unrealized gains on hedging derivatives, net of tax	Total accumulated gains from valuation and translation adjustments		
Balance at Mar 31, 2008	29,110	2,905	32,016	967	529,426
Net income					93,601
Appropriations					
New issue of stocks (Exercise of Share subscription rights)					100
Dividends paid					(38,911)
Addition to reserve for special depreciation					-
Reversal of reserve for special depreciation					-
Addition to reserve for overseas investment loss					-
Reversal of reserve for advanced depreciation					-
Addition to other reserve					-
Repurchase of treasury stock					(1,115)
Disposal of treasury stock					779
Net increase / decrease during the term except in Owners' Equity	(21,318)	(3,733)	(25,051)	338	(24,713)
Balance at Mar 31, 2009	7,792	(828)	6,964	1,306	559,168

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	Results	MOL ADVANCE Plan	Results	MOL ADVANCE Plan
Revenues (*1)	1,568	1,640	1,945	1,880	1,865	2,060
Bulkships(*2)	787	790	1,024	810	998	870
Containerships	568	620	686	820	639	910
Other 4 segments(*3)	212	230	234	250	227	280
Operating Income	168	182	291	197	197	212
Ordinary income	182	190	302	205	204	220
Bulkships(*2)	163	161	277	164	213	168
Containerships	3	10	6	20	△ 21	30
Other 4 segments(*3)	18	20	21	22	15	23
Elimination	△ 2	△ 1	△ 3	△ 1	△ 3	△ 1
Net income	120	124	190	133	126	143
Ratio of ordinary income to revenue	11.6%	11.6%	15.5%	10.9%	11.0%	10.7%
Av. Ex. Rate	¥117.40/US\$	¥110.00/US\$	¥115.55/US\$	¥110.00/US\$	¥100.30/US\$	¥110.00/US\$
Av. Bunker price	US\$321/MT	US\$300/MT	US\$409/MT	US\$300/MT	US\$528/MT	US\$300/MT

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

(*2) Dry bulkers, tankers, LNG carriers and car carriers

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

(2) Financial Indices (Guideline)

(¥ Billion)

	2008.3	2009.3	"MOL ADVANCE" Guideline for 2010.3
Shareholders' Equity	679	627	860
Shareholders' Equity /Total assets	35.7%	34.5%	40% or more
Gearing ratio	88.5%	112.7%	100% or less
ROA	10.8%	6.9%	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

FY2008

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Apr.~Jun.,2008	Jul.~Sep.,2008	Oct.~Dec.,2008	Jan.~Mar.,2009
Revenues [¥ Million]	507,509	587,257	475,055	295,979
Operating Income	73,218	91,412	38,891	△ 6,310
Ordinary income	82,263	103,736	33,321	△ 14,809
Income before income taxes	90,726	107,715	23,196	△ 23,896
Net income	55,338	68,664	13,647	△ 10,662
Net income per share [¥]	46.25	57.38	11.41	△ 8.91
Total assets [¥ Million]	1,865,891	1,990,596	1,970,297	1,807,079
Total net assets	736,289	819,648	788,336	695,021
Shareholders' Equity per share [¥]	553.53	622.96	599.12	521.23

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	508,099	497,322
Operating Income	58,642	77,405	83,863	71,374
Ordinary income	64,493	79,145	88,780	69,801
Income before income taxes	62,339	84,903	96,490	74,470
Net income	33,945	52,732	58,937	44,707
Net income per share [¥]	28.40	44.10	49.28	37.36
Total assets [¥ Million]	1,736,856	1,880,686	1,928,963	1,900,551
Total net assets	647,840	718,763	720,931	751,652
Shareholders' Equity per share [¥]	481.95	540.06	543.71	567.74

3. Depreciation and Amortization

	(Million yen)		
	FY2007	FY2008	Increase /Decrease
Vessels	55,480	59,180	3,700
Others	19,000	18,975	△ 25
Total	74,480	78,155	3,675

4. Interest-bearing Debt

	(Million yen)		
	As of March 31, 2008	As of March 31, 2009	Increase /Decrease
Bank loans	407,688	509,326	101,638
Bonds	167,012	155,947	△ 11,065
Commercial paper	10,000	20,500	10,500
Others	16,474	16,843	369
Total	601,174	702,617	101,443

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	88	6, 595	77	10, 476	28	1, 869	36	608	34	1, 774
Chartered	265	24, 279	98	4, 383	7	531	52	816	80	3, 585
Others	1	152	-	-	2	143	-	-	-	-
As of Mar. 31, 2009	354	31, 026	175	14, 859	37	2, 543	88	1, 423	114	5, 358
As of Mar. 31, 2008	364	30, 334	162	14, 282	36	2, 469	103	1, 574	130	5, 503

	Ferries/Domestic carriers (*1)		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	14	78	1	5	4	104	282	21, 509
Chartered	30	79	-	-	2	13	534	33, 686
Others	2	3	-	-	-	-	5	298
As of Mar. 31, 2009	46	160	1	5	6	117	821	55, 492
As of Mar. 31, 2008	46	159	1	5	3	19	845	54, 345

*1:excluding tug boats

6. Exchange Rates

	FY2007	FY2008	Change		
Average rates	¥115.55	¥100.30	¥15.25	(13.2%)	¥ appreciated
Term-end rates	¥100.19	¥98.23	¥1.96	(2.0%)	¥ appreciated

(Remark) "Average rates" are average of monthly corporate rates in each term, while "term-end rates" are TTM rates on the last day of each term.

Overseas subsidiaries

	TTM on December 31,2007	TTM on December 31,2008	Change		
Term-end rates	¥114.15	¥91.03	¥23.12	(20.3%)	¥ appreciated

7. Bunker Prices

	FY2007	FY2008	Increase /Decrease
Consumption Prices	US\$409/MT	US\$528/MT	US\$119/MT

8. Outlook for FY2009

(¥ Billion)

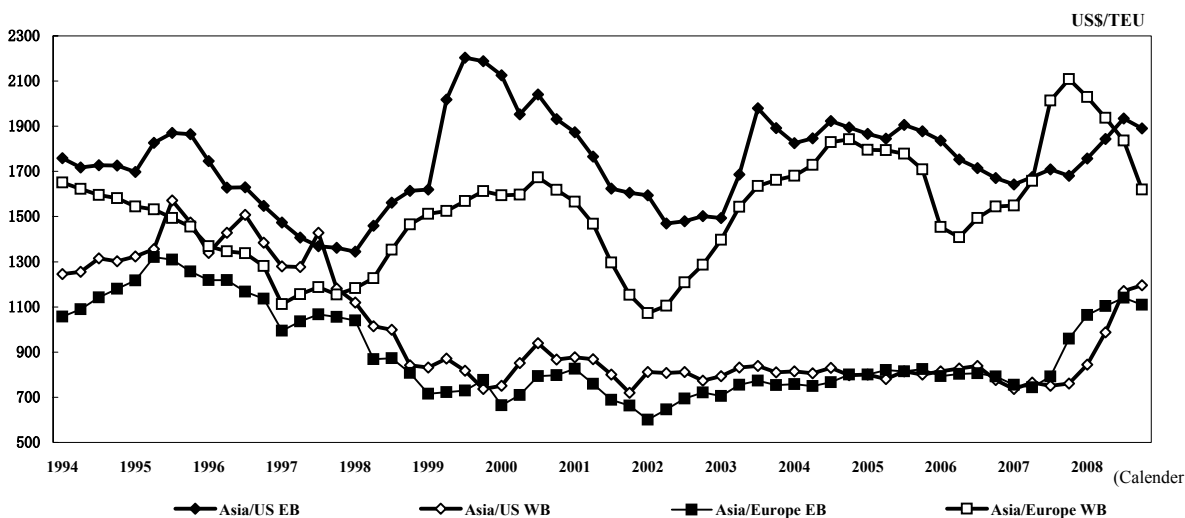
Segments	Revenues(*)	Operating Income	Ordinary Income
Bulkships	710	90	85
Containerships	480	△ 18	△ 20
Logistics	54	0	0
Ferry /Domestic Transport	56	1	1
Associated Businesses	91	10	10
Others	9	0	4
Elimination	-	△ 4	△ 1
Total	1,400	80	80

<Assumption> exchange rates ¥97.00/US\$
 bunker prices US\$300/MT

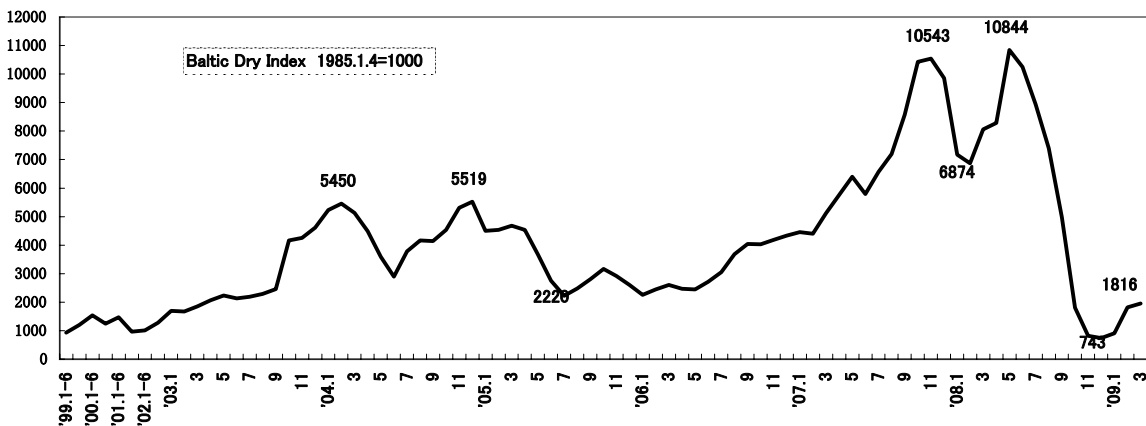
(*) Revenues from customers, unconsolidated subsidiaries and affiliated companies

9. Market Information

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



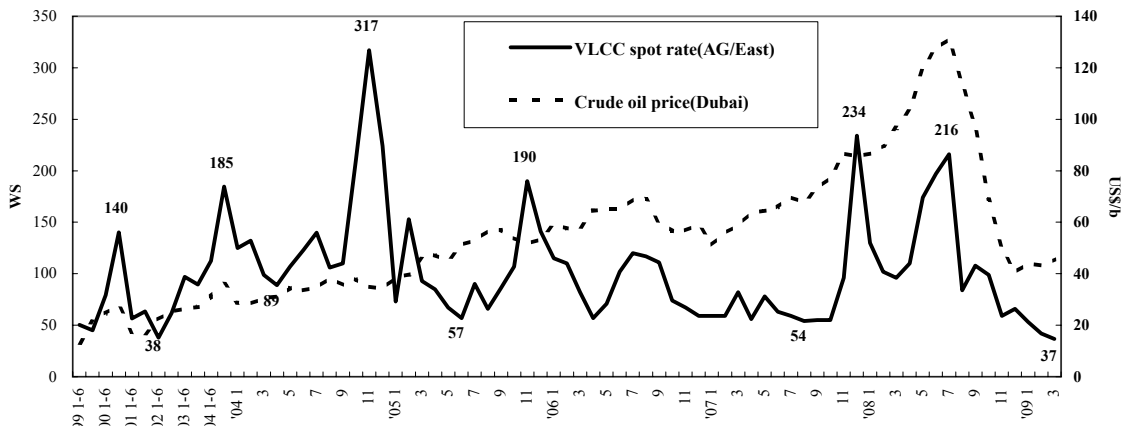
(2) Dry Bulk Market (Baltic Dry Index)



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Maximum	1,156	1,343	1,734	1,566	1,666	4,609	5,519	4,678	4,336	10,543	10,844	1,958
Minimum	799	803	1,371	855	931	1,674	2,902	2,220	2,262	4,398	743	905

**1999-2002 data on the graph are half-yearly averages. (Jan. ~ Mar.)

(3) VLCC Market



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Maximum	80	62	168	108	112	149	317	190	120	234	216	53
Minimum	47	36	55	35	29	49	89	57	57	54	59	36

**1999-2002 data on the graph are half-yearly averages. (Jan. ~ Mar.)