



Business Performance
in
FY2010-3rd Quarter

Mitsui O.S.K. Lines, Ltd.

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FY2010 3rd Quarter Results [Consolidated]

(billion yen)	FY2010				FY2009				Increase/decrease	
	1Q Result	2Q Result	3Q Result	Apr.-Dec.	1Q Result	2Q Result	3Q Result	Apr.-Dec.		
Revenue	397	406	378	1,180	297	327	361	985	+195	+20%
Operating income	39	44	26	108	△12	1	14	2	+106	
Ordinary income	39	41	25	106	△11	1	14	4	+102	
Net income	21	27	8	56	△13	3	12	2	+54	
Average exchange rate	¥91.44/\$	¥87.78/\$	¥83.36/\$	¥87.53/\$	¥97.21/\$	¥94.85/\$	¥90.40/\$	¥94.15/\$	△¥6.62/\$	
Average bunker price	\$474/MT	\$469/MT	\$485/MT	\$475/MT	\$313/MT	\$394/MT	\$445/MT	\$385/MT	+\$90/MT	

[By segment]

(billion yen)		FY2010				FY2009				Increase/decrease	
		1Q Result	2Q Result	3Q Result	Apr.-Dec.	1Q Result	2Q Result	3Q Result	Apr.-Dec.		
Bulkships	Revenue	210	202	191	602	155	175	196	526	+76	+14%
	Ordinary income	28	22	13	63	4	16	22	42	+21	+50%
Containerships	Revenue	146	162	145	453	104	112	124	339	+114	+34%
	Ordinary income	9	17	8	34	△ 20	△ 18	△ 13	△ 50	+84	
Ferry& domestic transport	Revenue	12	14	13	39	12	13	14	39	△ 0	△ 0%
	Ordinary income	△ 1	1	0	0	△ 1	△ 0	△ 0	△ 1	+1	
Associated businesses	Revenue	27	27	27	81	24	25	25	74	+7	+9%
	Ordinary income	3	3	3	8	3	2	2	8	+0	+3%
Others	Revenue	2	2	2	6	2	2	3	7	△ 1	△ 21%
	Ordinary income	1	1	1	2	1	0	0	2	+1	+40%
Adjustment	Revenue	-	-	-	-	-	-	-	-	-	-
	Ordinary income	1	△ 2	△ 0	△ 1	1	0	2	4	△ 5	
Consolidated	Revenue	397	406	378	1,180	297	327	361	985	+195	+20%
	Ordinary income	39	41	25	106	△ 11	1	14	4	+102	

● Revenues from customers, unconsolidated subsidiaries and affiliated companies

● "Bulkships" consists of Dry bulkers, Tankers, LNG carriers, and Car carriers

Outline of FY2010 3rd Quarter Results [Consolidated]

[Overall]

- The world economy for 3Q (from October to December 2010) maintained an upswing, although growth being decelerated.
- Ordinary income increased by **more than ¥100 billion** (1-3Q) from the same period of the previous year despite the appreciation of the yen and increasing bunker prices.

[By segment] [Ordinary income for 1-3Q/FY2010 (Comparison with 1-3Q/FY2009)]

Bulkships [¥62.8 billion (+¥21 billion)]

- Dry bulkers: Fluctuations in the Cape-size market became wider due to quarterly renewals of iron ore sales contract → Average market for 1-3Q was **\$33,000**, 30% lower than the same period of the previous year. Though the Panamax market weakened slightly after last fall due to the ban of iron ore exports from India, the overall segment maintained profit increase from the same period of the previous year thanks to a brisk Handymax market.
- Tankers: Both VLCC and product tanker markets stayed at low levels. Despite a rise in LPG carrier freight rates resulting from increased shipments from the Middle East, the overall segment remained in the red.
- Car carriers: The number of units loaded showed a steady increase from **820,000 units** (1Q) to **940,000 units** (3Q).

Containership [¥33.9 billion (+¥84 billion)]

The freight rate market slackened due to a seasonal decrease in demand from 2Q to 3Q, but profits increased significantly from the same period of the previous year, following a global trend toward recovery in the cargo movement. Ongoing cost-cutting efforts and other measures, including reduction of fuel costs by slow steaming and intensified collection of high-yield cargoes, contributed to the increased profits.

[Cost reduction] Achieved **¥35 billion** during 1-3Q against the full-year target of ¥48 billion.

Results Comparison FY2010-3Q vs FY2009-3Q

Major factors affected Ordinary income

Stronger yen	△¥9.9 bil.	FY10 ¥87.53/\$; △¥6.62/\$
Higher bunker	△¥13.6 bil.	FY10 \$475/MT; +\$90/MT
Fluctuation of cargo volume/freight rates, etc.	+¥92.2 bil.	
Cost Reduction	+¥35.1 bil.	Incl. ¥17.5bil. for Containerships
Equity in earnings of affiliated companies	+¥4.0 bil.	
Others (incl. Adjustment)	△¥6.0 bil.	
(Balance)	+¥101.9 bil.	

FY2010 Forecast [Consolidated]

(billion yen)	FY2010							FY2009	Increase/ decrease
	1H	2H			Yearly forecast	FY2010 Forecast as of 10/29/10	Increase/ decrease	Result	
	Result	3Q Result	4Q Forecast	Forecast					
Revenue	803	378	350	727	1,530	1,550	△ 20	1,348	+182
Operating income	83	26	16	41	124	130	△ 6	21	+103
Ordinary income	80	25	14	40	120	130	△ 10	24	+96
Net income	48	8	1	9	57	65	△ 8	13	+44
Average exchange rate	¥89.61/\$	¥83.36/\$	¥82.00/\$	¥82.68/\$	¥86.15/\$	¥84.81/\$	+¥1.34/\$	¥93.25/\$	△¥7.10/\$
Average bunker price	\$471/MT	\$485/MT	\$550/MT	\$517/MT	\$494/MT	\$486/MT	+\$8/MT	\$406/MT	+\$88/MT

(For reference)

FY2010 Exchange rate sensitivity/4Q: ±0.30 bil. ¥/1¥ (Max)

FY2010 Bunker price sensitivity/4Q: ±0.05 bil. ¥/1\$ (Max)

(Consolidated Ordinary Income Basis)

[By segment]

(billion yen)		FY2010							FY2009 Result	Increase/ decrease
		1H Result	2H		Yearly forecast	FY2009 Forecast as of 10/29/10	Increase/ decrease			
			3Q Result	4Q Forecast				Forecast		
Bulkships	Revenue	412	191	168	358	770	800	△ 30	722	+48
	Ordinary income	50	13	7	20	70	82	△ 12	67	+3
Containerships	Revenue	308	145	137	282	590	580	+10	466	+124
	Ordinary income	26	8	5	13	39	35	+4	△ 57	+96
Ferry & domestic transport	Revenue	26	13	12	25	51	51	+0	51	+0
	Ordinary income	△ 0	0	△ 0	△ 0	△ 0	△ 0	△ 0	△ 2	+2
Associated businesses	Revenue	54	27	31	58	112	112	+0	100	+12
	Ordinary income	5	3	2	5	11	11	△ 1	10	+1
Others	Revenue	3	2	1	4	7	7	+0	9	△ 2
	Ordinary income	1	1	△ 1	0	2	1	+1	1	+0
Adjustment	Revenue	-	-	-	-	-	-	-	-	-
	Ordinary income	△ 1	△ 0	1	1	△ 1	1	△ 2	5	△ 6
Consolidated	Revenue	803	378	350	727	1,530	1,550	△ 20	1,348	+182
	Ordinary income	80	25	14	40	120	130	△ 10	24	+96

● Revenues from customers, unconsolidated subsidiaries and affiliated companies

● "Bulkships" consists of Dry bulkers, Tankers, LNG carriers, and Car carriers

Key Points of FY2010 Full-year Forecast [Consolidated]

[Overall]

Downward revision of full-year forecast

	Previous Forecast (Oct. 29)		Latest Forecast (Jan. 31)
Ordinary income	¥130 billion	→	¥120 billion

* Exchange rate assumption: 4Q= ¥82/\$ (Previous= ¥80/\$) (4Q sensitivity ±¥0.3 billion/¥1)

Bunker price assumption : 4Q= \$550/MT (Previous= \$500/MT) (4Q sensitivity ±¥0.05 billion/\$1)

[By segment] [Increase/decrease in ordinary income from the projected figures announced on Oct. 29]

Bulkships [¥70 billion (-¥12 billion)]

- Dry bulkers: Fall of Cape-size and Panamax markets due to stagnation of coal shipments after December 2010 flooding in East Australia → Downward revision of 4Q market assumption.
(Cape-size: \$36,000 → \$12,000/day, Panamax: \$19,000 → \$13,000/day, Handymax: \$19,000 → \$14,000/day, Small Handy: \$16,000 → \$12,000/day)
- Tankers: The market recovery in the winter demand season is not pumped up as assumed. Downward revision of 4Q market assumption for both VLCC and product tanker.

Containership: [¥39 billion (+¥4 billion)]

Upward revision of profits by factoring in steady Europe outbound routes, recovery of cargo volume on North America outbound routes during 4Q, and strong intra-Asia transport.

[Cost reduction]

Maintain ¥48 billion target for the year (including ¥24 billion in containership segment)

[Dividends]

Dividend per share outlook for FY2010: ¥10 per share (interim ¥5 plus year-end ¥5)

[Supplement]

Market Information (Drybulker)

1. FY2009 Dry Bulker Market (spot charterage/day) (US\$)

Size	Route	FY2009				
		1Q Actual	2Q Actual	3Q Actual	4Q Actual	Total Actual
Capesize	4TC Average	46,100	45,000	55,500	34,200	45,200
Panamax	4TC Average	18,000	21,600	27,700	29,500	24,200
Handymax	5TC Average	16,600	19,700	22,300	25,100	20,900
Small handy	6TC Average	10,900	12,300	15,000	17,600	14,000

Source for actual : The Baltic Exchange

2. FY2010 Dry Bulker Market (US\$)

Size	Route (Actual Only)	FY2010				
		1st Half		2nd Half		Total
		1Q Actual	2Q Actual	3Q Actual	4Q Forecast	Total Forecast
Capesize	4TC Average	38,400	26,300	34,400	12,000	27,800
Panamax	4TC Average	30,900	21,700	18,200	13,000	21,000
Handymax	5TC Average	27,800	19,800	17,300	14,000	19,700
Small handy	6TC Average	20,000	15,200	12,800	12,000	15,000

Source for actual : The Baltic Exchange

Notes :“Actual” and “Forecast” in Market Information (page 10 & page 11)

“Actual” shows the general market conditions of the relevant routes. On the other hand, “Forecast” indicates freight/charter rates assumptions which are used for estimating proceeds of spot voyages/contracts of no more than one year. In case spot freight/charter rates have already been agreed at the time of business forecast announcement, such agreed rates are used for profit estimation.

Market Information (Tanker)

1. FY2009 Tanker market (spot freight index)

(WS)

Type	WS criteria (for VLCC)	FY2009				
		1Q Actual	2Q Actual	3Q Actual	4Q Actual	Total Actual
Crude Oil Tanker (VLCC) 【Arabian Gulf - East】	Year 2009 base	36	36	48	68	47
	(Year 2010 base)	(48)	(48)	(64)	(90)	(63)
Product Tanker (MR) 【Singapore - Japan】		69	82	107	136	99

Source for actual : The Baltic Exchange

2. FY2010 Tanker market

(WS)

Type	WS criteria (for VLCC)	FY2010				
		1st Half		2nd Half		Total
		1Q Actual	2Q Actual	3Q Actual	4Q Forecast	
Crude Oil Tanker (VLCC) 【Arabian Gulf - East】	Year 2010 base	88	52	58	70	67
	(Year 2011 base)	(72)	(43)	(48)	(58)	(55)
Product Tanker (MR) 【Singapore - Japan】		139	137	139		

Source for actual : The Baltic Exchange

Car Carriers Loading Results

(1000 units)

(Voyage Completion basis; including voyage charter)	FY2010						FY2009
	1st Half Result (A)		3Q	2nd Half Forecast (B)	(A)+(B)		
	1Q	2Q					
Total	823	862	1,685	940	1,813	3,498	2,521

Major Containership Trades Utilization and Freight Index

Asia-North America Trade (TPS)

(unit: 1000TEU)

		FY2009					FY2010				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Outbound (E/B)	Capacity	125	128	128	115	496	142	166	166		
	Lifting	103	117	120	109	450	144	165	129		
	Utilization	83%	92%	94%	95%	91%	101%	99%	78%		
Inbound (W/B)	Capacity	120	128	129	118	495	132	165	166		
	Lifting	85	86	94	88	352	78	87	93		
	Utilization	71%	67%	73%	74%	71%	59%	53%	56%		

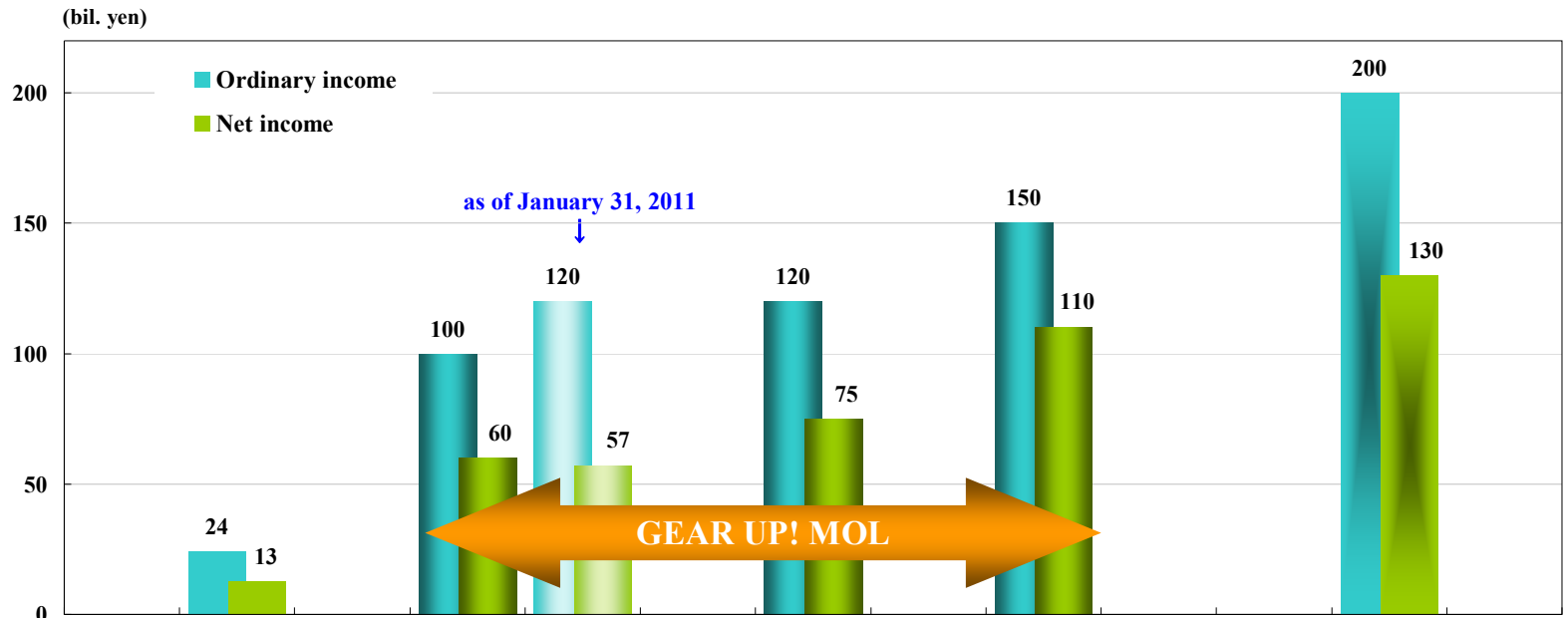
Asia-Europe Trade

		FY2009					FY2010				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Outbound (W/B)	Capacity	88	77	85	84	334	92	107	109		
	Lifting	67	78	87	85	317	92	107	109		
	Utilization	76%	101%	102%	101%	95%	100%	100%	100%		
Inbound (E/B)	Capacity	89	85	89	87	350	92	107	109		
	Lifting	53	54	60	59	226	60	60	64		
	Utilization	60%	64%	68%	68%	65%	65%	56%	59%		

Transition of Container Freight Rate (Index: FY2008 1Q=100)

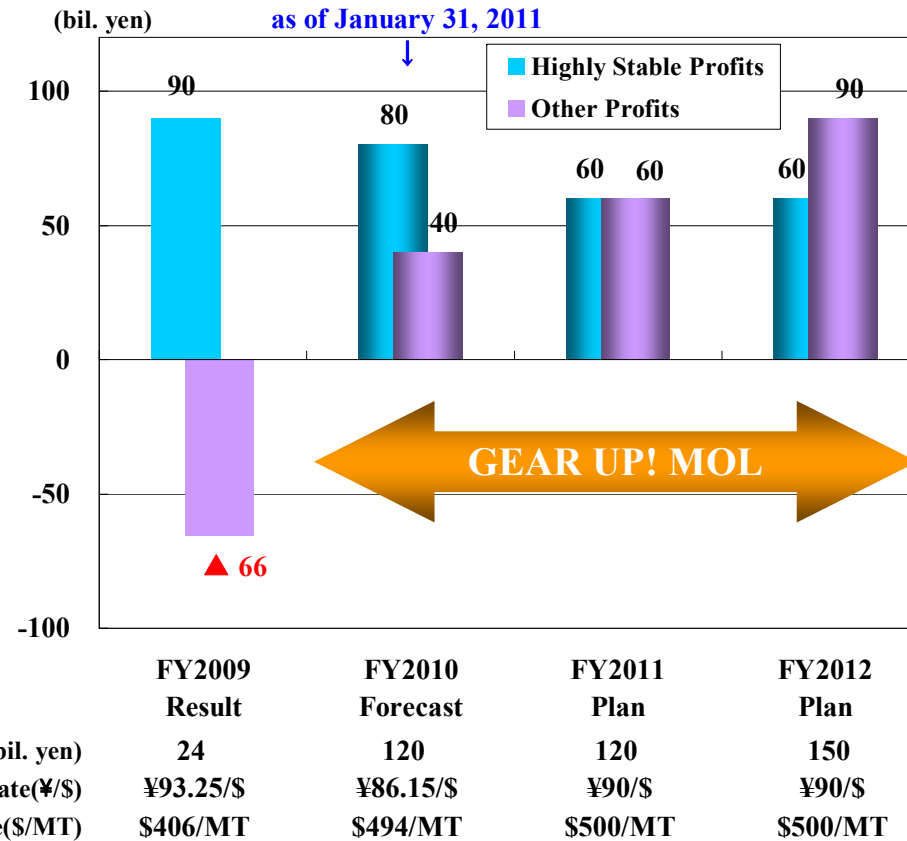
	FY2008				FY2009				FY2010			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
All Trades (Average)	100	103	95	77	70	69	76	86	99	107	98	

“GEAR UP! MOL” Overall Profit Plan



	FY2009	FY2010		FY2011	FY2012	FY2015
	Result	Plan	Forecast	Plan	Plan	Target
Revenue	1,348	1,550	1,530	1,700	1,800	2,000
Operating income	21	100	124	120	150	
Ordinary income margin	1.8%	6.5%	7.8%	7.1%	8.3%	10.0%
Average exchange rate(¥/\$)	¥93.25/\$	¥90/\$	¥86.15/\$	¥90/\$	¥90/\$	¥90/\$
Average bunker price(\$/MT)	\$406/MT	\$500/MT	\$494/MT	\$500/MT	\$500/MT	\$500/MT

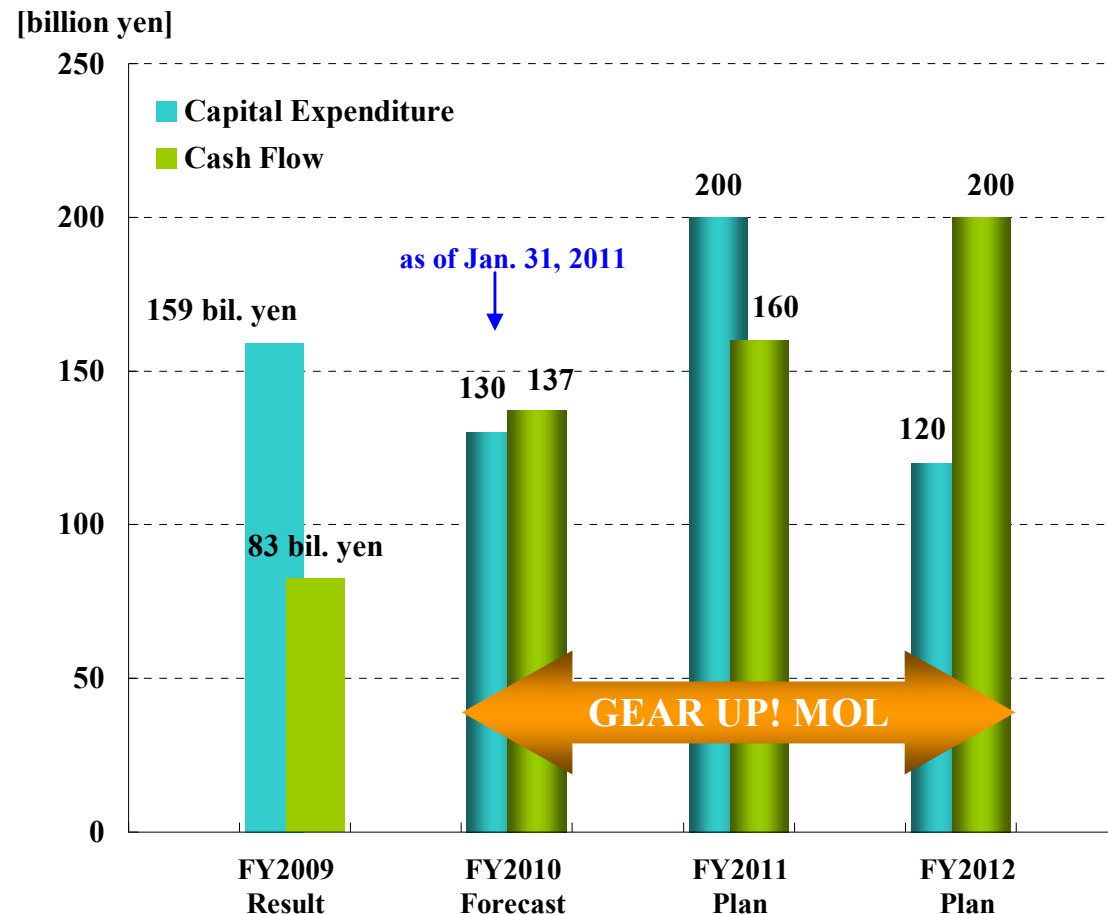
Highly Stable Profit



Highly stable profit = Firm profit through middle and long-term contracts and projected profit from highly stable businesses.
 (The segments included in "Highly stable profit" are Drybulk Carrier Division, Tanker Division, LNG Carrier Division, Associated business and other business.)

$$\text{Highly Stable Profits} + \text{Other Profits} = \text{Ordinary Income}$$

Cash Flows & Capital Expenditure

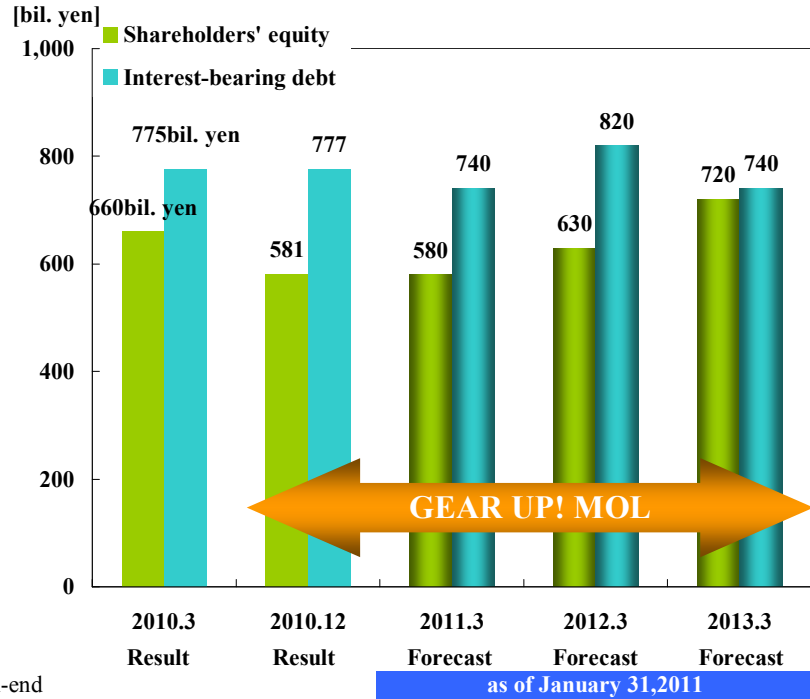


Average exchange rate(¥/\$)	93.25	86.15	90	90
Depreciation (billion yen)	88	90	100	107
Dividend paid (billion yen)	19	10	14	19

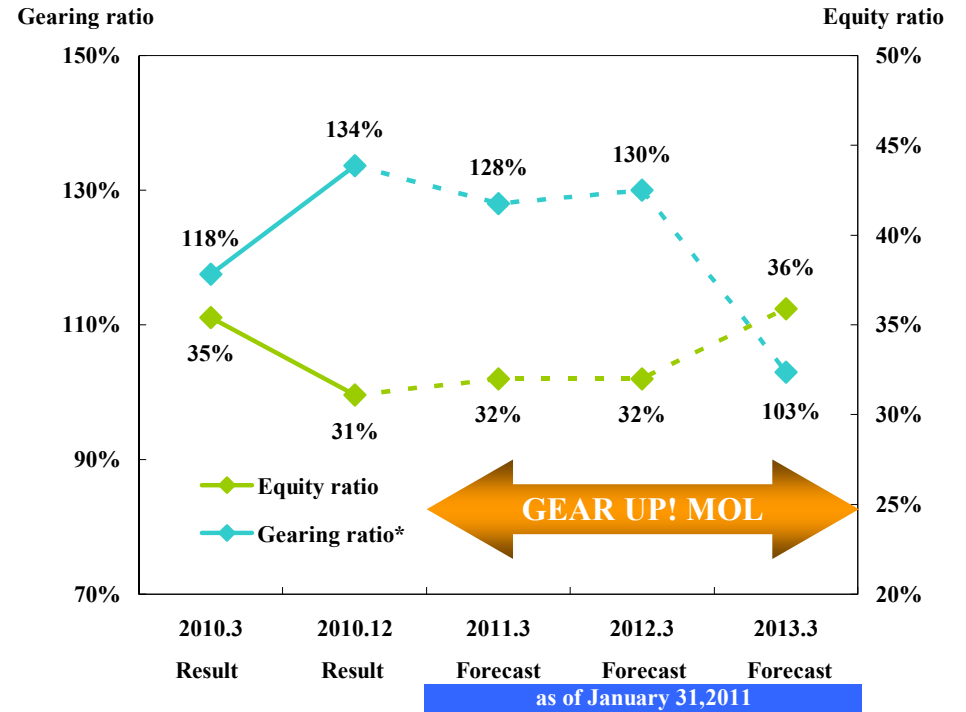
Cash flow = Net income + Depreciation - Dividends(*)

(*) Assumption=Payout ratio 20% (Forecast/Plans)

Financial Plan



Term-end exchange rate(¥/\$)	2010.3	2010.12	2011.3	2012.3	2013.3
MOL	93.04	81.49	82	90	90
Overseas subsidiaries	92.10	83.82	81	90	90



Equity ratio = Shareholders' equity/Total Assets
 *Gearing ratio = Interest-bearing debt/Shareholders' equity