



Business Performance
in
FY2010-1st Quarter

Mitsui O.S.K. Lines, Ltd.

July 2010

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FY2010 1st Quarter Results [Consolidated]

(billion yen)

	FY2010 1Q Results	FY2009 1Q Results	Increase/ decrease
Revenue	397	297	+100
Operating income	39	△ 12	+51
Ordinary income	39	△ 11	+51
Net income	21	△ 13	+34
Average exchange rate	¥91.44/\$	¥97.21/\$	△¥5.77/\$
Average bunker price	\$474/MT	\$313/MT	+\$161/MT

[By segment]

(billion yen)

		FY2010 1Q Results	FY2009 1Q Results	Increase/ decrease
Bulkships	Revenue	210	155	+55
	Ordinary income	28	4	+24
Containerships	Revenue	146	104	+42
	Ordinary income	9	△20	+29
Ferry& domestic transport	Revenue	12	12	△0
	Ordinary income	△1	△1	△0
Associated businesses	Revenue	27	24	+3
	Ordinary income	3	3	△0
Others	Revenue	2	2	△1
	Ordinary income	1	1	△0
Adjustment	Revenue	-	-	-
	Ordinary income	1	1	△1
Consolidated	Revenue	397	297	+100
	Ordinary income	39	△11	+51

● Revenues from customers, unconsolidated subsidiaries and affiliated companies.

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

Outline of FY2010 1st Quarter Results [Consolidated]

[Overall]

New Mid-term Management Plan “**GEAR UP! MOL**”, making a good start.

Ordinary income increased for 5 consecutive quarters due to rebounding seaborne trade.

4Q08 → 1Q09 → 2Q09 → 3Q09 → 4Q09 → 1Q10

Ordinary income (¥ billion) -14.8 -11.5 1.5 13.8 20.5 39.2

[By segment] [1Q/2010 Ordinary income (Comparison with 1Q/2009)]

Bulkships [**¥28.0 billion** (+¥23.9 billion)]

●Dry bulkers: Fluctuation of Capesize market increased because iron ore trade negotiations have been done every quarter from 2010; Panamax and smaller size markets remained strong due to increased coal and grain trade. Eventually, profits are up sharply from the same period of FY2009.

●Tankers: VLCC market had strong showing by withdrawal of single-hull vessels, while the product tanker market was sluggish, making the overall division results stay in red ink.

●Car carriers: Seaborne trade of cars recovered more than initial forecast, securing profits consequently.

Containerships [**¥8.5 billion** (+¥28.6 billion)]

Because of 1)the recovery of global cargo trade, 2)optimization of our fleet size by drastic vessel reduction, 3)slow steaming, and 4)efforts on rationalization and cost reductions, profitability has improved largely and regained the black ink.

- Cargo volume on North American Eastbound route **increased 40% y-o-y**. Yearly negotiations resulted in succeed to gain our targeted increase of freight rates almost.
- Cargo volume on European Westbound route **increased 37% y-o-y**. Freight rates saw steady restoration.

Results Comparison FY2010-1Q vs FY2009-1Q

Major factors affected Ordinary income

Stronger yen	△¥2.9 bil.	FY10 ¥91.44/\$; △¥5.77/\$
Higher bunker	△¥8.1 bil.	FY10 \$474/MT; +\$161/MT
Fluctuation of cargo volume/freight rates, etc.	+¥51.7 bil.	
Cost Reduction	+¥9.2 bil.	
Equity in earnings of affiliated companies	+¥2.0 bil.	
Others (incl. Adjustment)	△¥1.2 bil.	
(Balance)	+¥50.7 bil.	

FY2010 Forecast [Consolidated]

FY2010	1st Half			1H Forecast as of 4/27/10 (b)	(a)-(b)	2nd Half Forecast	(billion yen)		
	1Q Result	2Q Forecast	Forecast (a)				FY2010 Forecast (c)	FY2010 Forecast as of 4/27/10 (d)	(c)-(d)
Revenue	397	393	790	770	+20	760	1,550	1,550	+0
Operating income	39	31	70	52	+18	50	120	100	+20
Ordinary income	39	31	70	52	+18	50	120	100	+20
Net income	21	21	42	32	+10	23	65	60	+5
Average exchange rate	¥91.44/\$	¥87.00/\$	¥89.22/\$	¥90.00/\$	△¥0.78/\$	¥87.00/\$	¥88.11/\$	¥90.00/\$	△¥1.89/\$
Average bunker price	\$474/MT	\$480/MT	\$477/MT	\$500/MT	△\$23/MT	\$500/MT	\$488/MT	\$500/MT	△\$12/MT

cf. FY2009 Result

FY2009	1st Half			2nd Half Result	FY2009 Result
	1Q Result	2Q Result	Result		
Revenue	297	327	625	723	1,348
Operating income	△ 12	1	△ 11	32	21
Ordinary income	△ 11	1	△ 10	34	24
Net income	△ 13	3	△ 10	23	13
Average exchange rate	¥97.21/\$	¥94.85/\$	¥96.03/\$	¥90.47/\$	¥93.25/\$
Average bunker price	\$313/MT	\$394/MT	\$354/MT	\$459/MT	\$406/MT

FY2010 Exchange rate sensitivity/9 months
±1.40 bil. ¥/1¥ (Max)

FY2010 Bunker price sensitivity/9 months
±0.11 bil. ¥/1\$ (Max)

[By segment]

(billion yen)

	FY2010	1st Half			1H Forecast as of 4/27/10 (b)	(a)-(b)	2nd Half Forecast	FY2010 Forecast (c)	FY2010 Forecast as of 4/27/10 (d)	(c)-(d)
		1Q Result	2Q Forecast	Forecast (a)						
Bulkships	Revenue	210	200	410	410	+0	400	810	830	△20
	Ordinary income	28	18	46	42	+4	36	82	80	+2
Containerships	Revenue	146	149	295	275	+20	275	570	550	+20
	Ordinary income	9	8	17	2	+15	8	25	5	+20
Ferry& domestic transport	Revenue	12	14	26	27	△1	26	52	53	△1
	Ordinary income	△1	1	△0	0	△0	0	0	0	△0
Associated businesses	Revenue	27	28	55	55	+0	56	111	110	+1
	Ordinary income	3	2	5	5	+0	5	10	10	+0
Others	Revenue	2	2	4	4	+1	3	7	7	+0
	Ordinary income	1	0	1	1	△0	0	1	1	△0
Adjustment	Revenue	-	-	-	-	-	-	-	-	-
	Ordinary income	1	1	2	2	△1	0	2	3	△1
Consolidated	Revenue	397	393	790	770	+20	760	1,550	1,550	+0
	Ordinary income	39	31	70	52	+18	50	120	100	+20

● 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]

Upward revision of forecast announced at beginning of the year in April, 2010.

	[April 27, 2010]		[July 29, 2010 (This Time)]
Ordinary income	¥100 billion	→	¥120 billion

* Assumption of exchange rate: 2Q = ¥87/\$, 2nd half = ¥87/\$

Assumption of bunker price : 2Q = \$480/MT, 2nd half = \$500/MT

[By segment] [**Ordinary income forecasted** (Increase/decrease from the announcement on April 27, 2010)]

Bulkships [**¥82.0 billion** (+¥2.0 billion)]

- **Dry bulkers:** Downward revision of assumption of each ship-type market for 2Q, reflecting the current weak market. For 2H/2010, however, market recovery driven by demand in emerging countries is considered.
- **Car carriers:** Upward revision of profits, viewing favorable recovery of trade volume.

Containerships [**¥25.0 billion** (+¥20.0 billion)]

Large upward revision of profits, mainly reflecting 1H/2010 upward portion. Much greater than anticipated results in cargo volume and freight rate recovery on almost all routes, represented by the main East-West routes outbound.

[Cost reduction]

Progressed as almost planned toward the **¥45.5 billion** target for FY2010 (incl. **¥23 billion** for containership segment)

[Dividend] 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	FY2010				
	1Q Actual	1st Half		2nd Half	Total
		2Q Forecast	Forecast	Forecast	Forecast
Capesize	38,400	16,000	27,200	30,000	28,600
Panamax	30,900	18,000	24,500	20,000	22,300
Handymax	27,800	18,000	22,900	20,000	21,500
Small handy	20,000	14,000	17,000	16,000	16,500

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	Route	FY2009				
		1Q Actual	2Q Actual	3Q Actual	4Q Actual	Total Actual
Crude Oil Tanker (VLCC)	Arabian Gulf/ East	36	36	48	68	47
		(48)	(48)	(64)	(90)	(63)
Product Tanker (MR)	Singapore/ Japan	69	82	107	136	99

Source for actual: Bloomberg

* Crude Oil Tanker(VLCC) :

The upper row - Shown at WS criteria of Year 2009.

The lower row - Shown at WS criteria of Year 2010.

2. FY2010 Tanker market (WS)

Type	Route (Actual Only)	FY2010				
		1st Half		1st Half Forecast	2nd Half Forecast	Total Forecast
		1Q Actual	2Q Forecast			
Crude Oil Tanker (VLCC)	Arabian Gulf/ East	88	76	82	78	80
Product Tanker (MR)	Singapore/ Japan	139				

Source for actual: Bloomberg

* Shown at WS criteria of Year 2010.

Car Carriers Loading Results

(1000 units)

(Voyage Completion basis; including voyage charter)	FY2010					FY2009
			<i>1st Half</i>	<i>2nd Half</i>	<i>(A)+(B)</i>	
	1Q	2Q	<i>Forecast (A)</i>	<i>Forecast (B)</i>		
Total	829	861	1,689	1,800	3,489	2,521

Major Containership Trades Utilization Forecast

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				
	Lifting	103	117	120	109	450	144				
	Utilization	83%	92%	94%	95%	91%	101%				
Inbound (W/B)	Capacity	120	128	129	118	495	132				
	Lifting	85	86	94	88	352	78				
	Utilization	71%	67%	73%	74%	71%	59%				

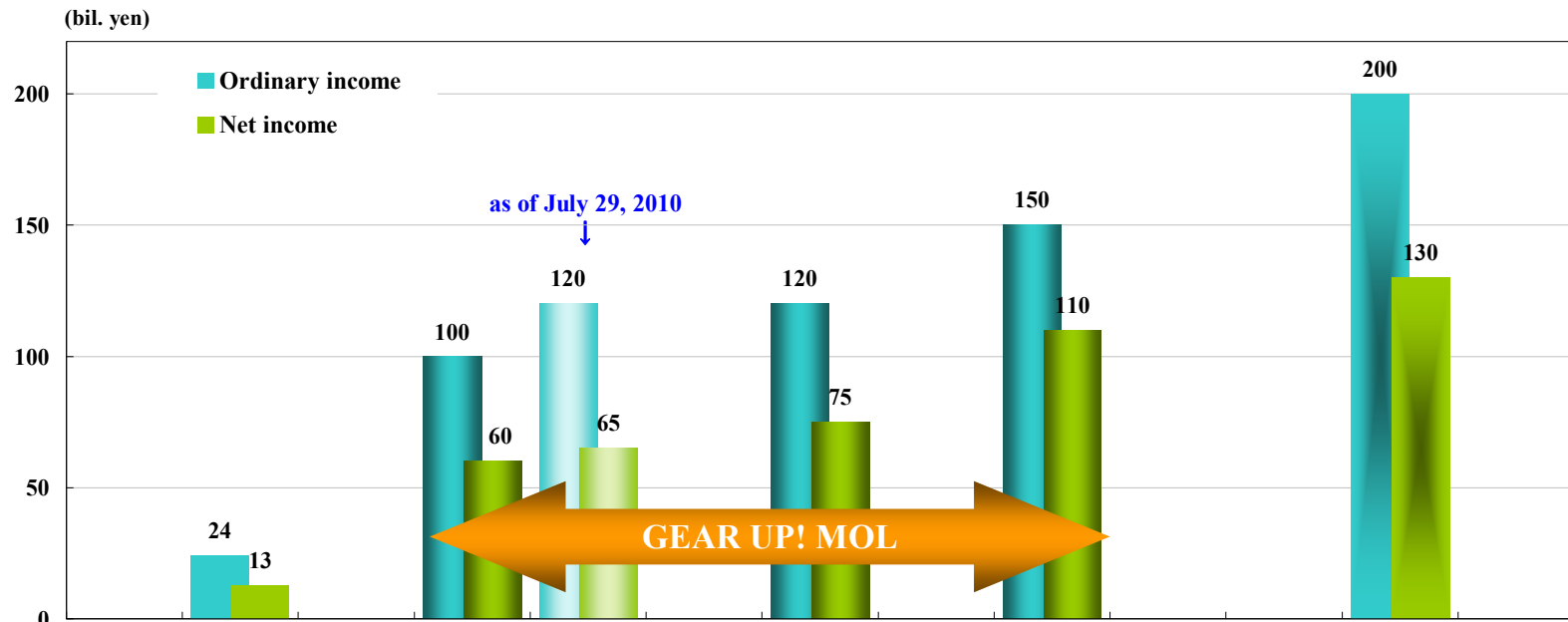
Asia-Europe Trade

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

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

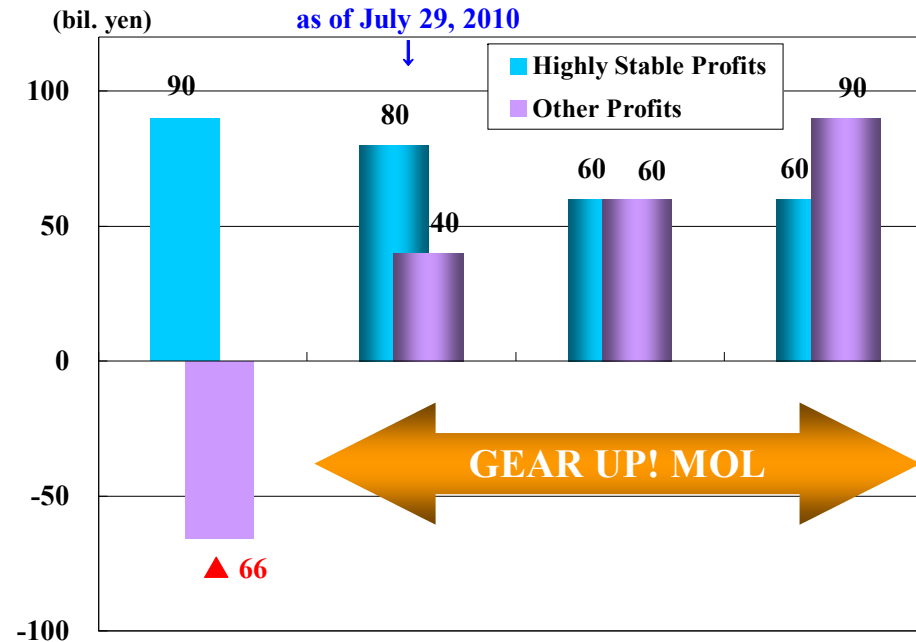
	FY2008				FY2009				FY2010			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
All Trades (Average)	100	103	95	77	70	69	76	86	99			

“GEAR UP! MOL ” Overall Profit Plan



	FY2009	FY2010		FY2011	FY2012	FY2015
	Result	Plan	Forecast	Plan	Plan	Target
Revenue	1,348	1,550	1,550	1,700	1,800	2,000
Operating income	21	100	120	120	150	
Ordinary income margin	1.8%	6.5%	7.7%	7.1%	8.3%	10.0%
Average exchange rate(¥/\$)	¥93.25/\$	¥90/\$	¥88.11/\$	¥90/\$	¥90/\$	¥90/\$
Average bunker price(\$/MT)	\$406/MT	\$500/MT	\$488/MT	\$500/MT	\$500/MT	\$500/MT

Highly Stable Profit

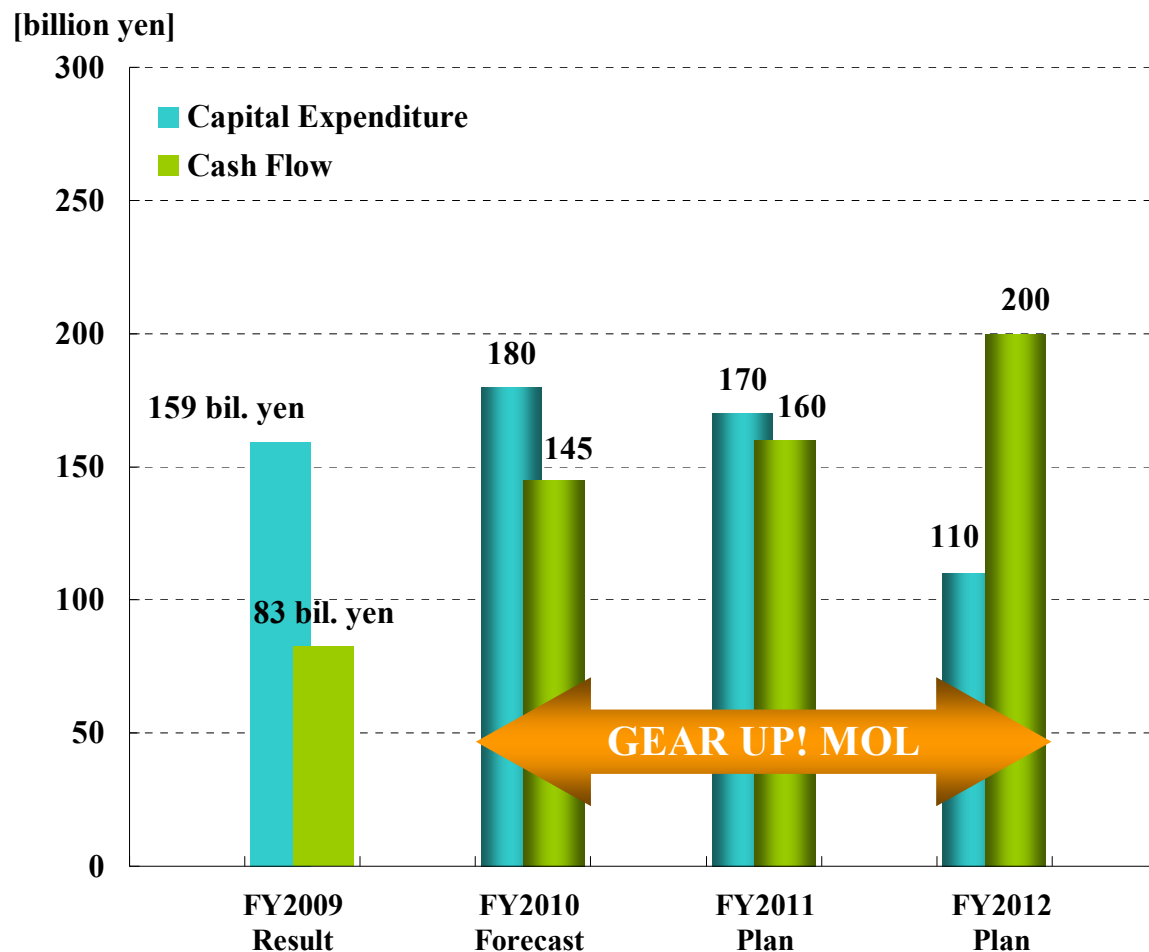


	FY2009 Result	FY2010 Forecast	FY2011 Plan	FY2012 Plan
Ordinary income(bil. yen)	24	120	120	150
Average exchange rate(¥/\$)	¥93.25/\$	¥88.11/\$	¥90/\$	¥90/\$
Average bunker price(\$/MT)	\$406/MT	\$488/MT	\$500/MT	\$500/MT

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

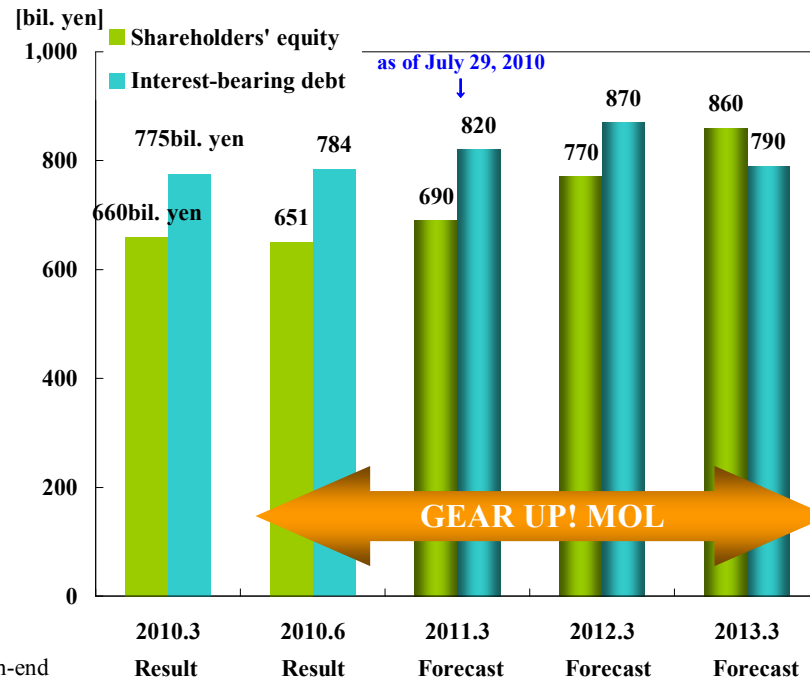


Average exchange rate(¥/\$)	93.25	88.11	90	90
Depreciation (billion yen)	88	90	99	109
Dividend paid (billion yen)	19	10	14	19

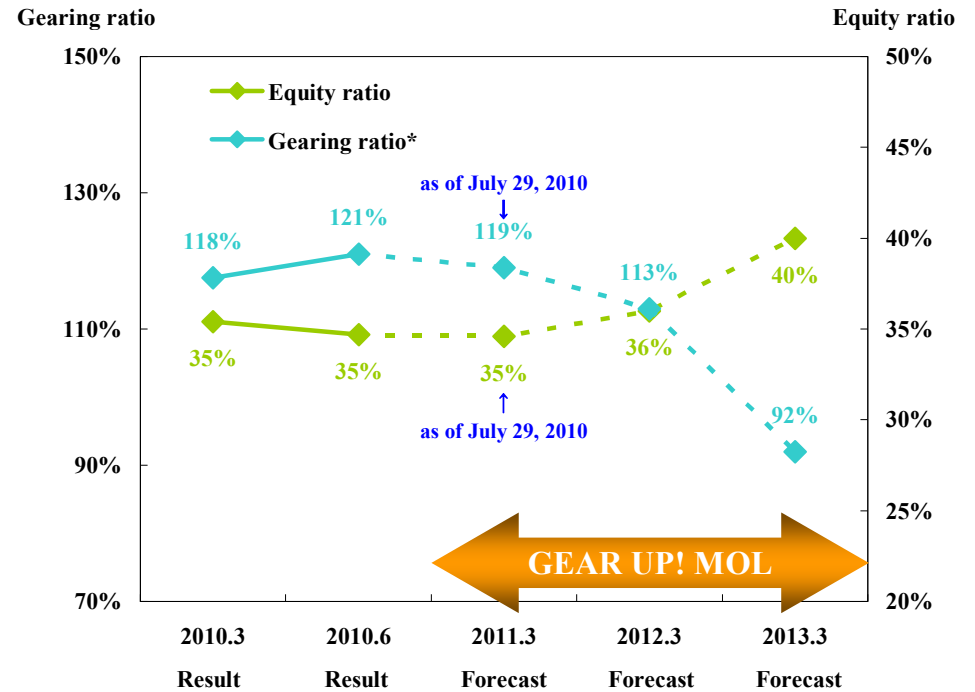
Cash flow = Net income + Depreciation - Dividends(*)

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

Financial Plan



Term-end exchange rate(¥/\$)	2010.3 Result	2010.6 Result	2011.3 Forecast	2012.3 Forecast	2013.3 Forecast
MOL	93.04	88.48	87	90	90
Overseas subsidiaries	92.10	93.04	87	90	90



Equity ratio = Shareholders' equity/Total Assets

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