



Business Performance in FY2009 and Outlook for FY2010

Mitsui O.S.K. Lines, Ltd.

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FY2009 Results [Consolidated]

(billion yen)	FY2009			FY2008 Result	Increase / decrease		FY09 F'cast as of 1/29/'10	Increase /decrease
	Result	1H Result	2H Result					
Revenue	1,348	625	723	1,866	△518	△27.8%	1,350	△2
Operating income	21	-11	32	197	△176	△89.4%	13	+8
Ordinary income	24	-10	34	205	△180	△88.2%	13	+11
Net income	13	-10	23	127	△114	△90.0%	5	+8
Average exchange rate	¥93.25/\$	¥96.03/\$	¥90.47/\$	¥100.30/\$	△¥7.05/\$		¥93.11/\$	+¥0.14/\$
Average bunker price	\$406/MT	\$354/MT	\$459/MT	\$528/MT	△\$122/MT		\$414/MT	△\$8/MT

[By segment]

(billion yen)		FY2009			FY2008 Result	Increase / decrease		FY09 F'cast as of 1/29/'10	Increase /decrease
		Result	1H Result	2H Result					
Bulkships	Revenue	722	330	391	999	△ 277	△27.7%	730	△ 8
	Ordinary income	67	20	47	213	△ 146	△68.6%	58	+9
Containerships	Revenue	466	216	251	686	△ 219	△32.0%	460	+6
	Ordinary income	△ 57	△ 38	△ 19	△ 21	△ 36	-	△ 58	+1
Ferry& domestic transport	Revenue	51	25	25	55	△ 4	△6.8%	51	△ 0
	Ordinary income	△ 2	△ 1	△ 1	△ 1	△ 1	-	△ 3	+0
Associated businesses	Revenue	100	49	51	117	△ 17	△14.8%	100	△ 0
	Ordinary income	10	6	4	13	△ 3	△25.5%	9	+0
Others	Revenue	9	4	5	10	△ 0	△4.9%	9	+0
	Ordinary income	1	1	△ 0	3	△ 2	△54.4%	1	+0
Elimination	Revenue	-	-	-	-	-	-	-	-
	Ordinary income	5	2	4	△ 3	9	-	5	+0
Consolidated	Revenue	1,348	625	723	1,866	△ 518	△27.8%	1,350	△ 2
	Ordinary income	24	△ 10	34	205	△ 180	△88.2%	13	+11

● Revenues from customers, unconsolidated subsidiaries and affiliated companies

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

● Ex-Logistics Segment's Revenue and Ordinary income have been integrated into Containerships Segment.

Key Points of FY2009 Full-year Results [Consolidated]

[Overall]

- Business recovery becomes more evident

Ordinary Income (3 months): [1Q -¥11.5 bil](#) → [2Q ¥1.5 bil](#) → [3Q ¥13.8 bil](#) → [4Q ¥20.5 bil](#)

[By segment] * Figures in parentheses () are difference of ordinary income compared to FY2008.

Bulkships (-¥146.4 billion)

- **Dry bulkers:** Expanding iron ore import by China and the recovery of crude steel production in Europe and Japan absorbed the supply of new Cape-size bulkers. Increases of coal imports by China and India, and seaborne trade of grains and other various raw materials (e.g. nonferrous metals) supported the Panamax and smaller vessel's market. However, profits were sharply lower than the pre-Lehman Shock level.
- **Tankers:** Freight market for VLCCs and petroleum product tankers remained stagnant. Despite an upturn in the VLCC market brought about by progress in single-hull tanker withdrawal during 2010, overall, the segment fell into the red.
- **Car carriers:** Great impact by decline of Japanese automobile exports dropping 40% between FY2007 and FY2009 which led this segment to slide into the red. MOL made Nissan Motor Car Carrier Co., Ltd. its consolidated subsidiary to increase efficiency of vessel operation.

Containerships (- ¥36.3 billion)

- ◆ Cargo volume on the North America Eastbound route [declined by 10%](#), and on the Asia-Europe Westbound route, [declined by 30%](#). However, the cargo movements bottomed out in February 2009 and are now recovering.
- ◆ Large decrease in profits from FY2008, but [deficits are shrinking](#) due to recovery of cargo trade, restoration of freight rates, cost reduction efforts. [1Q: [-¥20 billion](#) → 4Q: [-¥6.7 billion](#)].

[Cost reduction]

Achieved [¥78 billion](#) ([¥48 billion](#) in Containership segment). (Achievement rate 101% of the target)

[Dividend]

Plan to pay ¥3 per share year-end dividend (Full-year dividend will be ¥3 per share).

Results Comparison FY2009 vs FY2008

Major Factors Affected Ordinary Income

Stronger yen	-¥7.9 bil.
Lower bunker	+¥24.3 bil.
Fluctuation of cargo volume/freight rates, etc.	-¥250.7 bil.
Cost Reduction	+¥57.6 bil.
Equity in earnings of affiliated companies	-¥10.6 bil.
Others (incl. Elimination)	+¥7.0 bil.
<hr/>	
(Balance)	-¥180.3 bil.

FY2010 Forecast [Consolidated]

(billion yen)	FY2010		FY2009		Increase / decrease		
	FY2010	FY2009	Increase / decrease		FY2010 1H	FY2009 1H	Increase / decrease
Revenue	1,550	1,348	+202	+15.0%	770	625	+145 +23.3%
Operating income	100	21	+79	+377.6%	52	△11	+63 -
Ordinary income	100	24	+76	+312.6%	52	△10	+62 -
Net income	60	13	+47	+371.6%	32	△10	+42 -

Average exchange rate	¥90.00/\$	¥93.25/\$	△¥3.25/\$	¥90.00/\$	¥96.03/\$	△¥6.03/\$
Average bunker price	\$500/MT	\$406/MT	+\$94/MT	\$500/MT	\$354/MT	+\$146/MT
			△25.2bil. yen			△20.6bil. yen
			↑			↑
			△6.5bil. yen			△12.1bil. yen x 1/2
			△18.7bil. yen			△29.2bil. yen x 1/2

FY2010 Ex. Rate sensitivity/year ±2 bil. ¥/1¥ (Max)
 FY2010 Bunker price sensitivity/year ±0.2 bil. ¥/1\$ (Max)
 (Consolidated Ordinary Income Basis)

[By segment]

(billion yen)		FY2010				FY2009			
		FY2010		FY2009		Increase / decrease		Increase / decrease	
Bulkships	Revenue	830	722	+108	+15.0%	410	330	+80	+24.1%
	Ordinary income	80	67	+13	+19.4%	42	20	+22	+109.0%
Containerships	Revenue	550	466	+84	+17.9%	275	216	+59	+27.5%
	Ordinary income	5	△57	+62	-	2	△38	+40	-
Ferry& domestic transport	Revenue	53	51	+2	+4.3%	27	25	+1	+4.0%
	Ordinary income	0	△2	+3	-	0	△1	+1	-
Associated businesses	Revenue	110	100	+10	+10.2%	55	49	+6	+13.4%
	Ordinary income	10	10	+0	+3.0%	5	6	△1	△9.4%
Others	Revenue	7	9	△2	△24.3%	4	4	△1	△21.6%
	Ordinary income	1	1	+0	+2.9%	1	1	△1	△48.4%
Elimination	Revenue	-	-	-	-	-	-	-	-
	Ordinary income	3	5	△2	△39.9%	2	2	+1	+31.6%
Consolidated	Revenue	1,550	1,348	+202	+15.0%	770	625	+145	+23.3%
	Ordinary income	100	24	+76	+312.6%	52	△10	+62	-

- Revenues from customers, unconsolidated subsidiaries and affiliated companies
- "Bulkships" consists of Dry bulkers, Tankers, LNG carriers, and Car carriers
- Ex-Logistics Segment's Revenue and Ordinary income have been integrated into Containerships Segment.

Key Points of FY2010 Full-year Forecast [Consolidated]

[Overall]

- The world economy should move into recovery on the back of emerging countries acting as economic engines,
- By taking advantage of upturn in business climate, the implementation of our new mid-term management plan “GEAR UP! MOL” will accelerate the business development in growing markets.
- Make the most of our established credibility and safe operation to gain advantageous contracts, and build up more stable, long-term profits.
- Continue cost reduction efforts, targeting ¥45 billion group wide.

[By segment] * Figures in parentheses () are difference of ordinary income compared to FY2009.

Bulkships (+¥13 billion)

- **Dry bulkers:** Despite an increase in newbuilding Capesize bulkers in 2010, the supply and demand is expected to balance due to increase of iron ore seaborne trade (up 100 million tons), increase of coal imports by China and India, diversification of raw materials' procurement sources, and growing demand of longer-range transport, etc.
- **Tankers:** A firm market is expected for VLCC. Market for product tankers which currently remains stagnant is also expected to improve backed by recovery of economy and energy demand.
- **Car carriers:** Seaborne trade of completed cars is expected to recover gradually. Aim to return to profitability by reducing operation costs and increasing efficiency of vessel's operation.

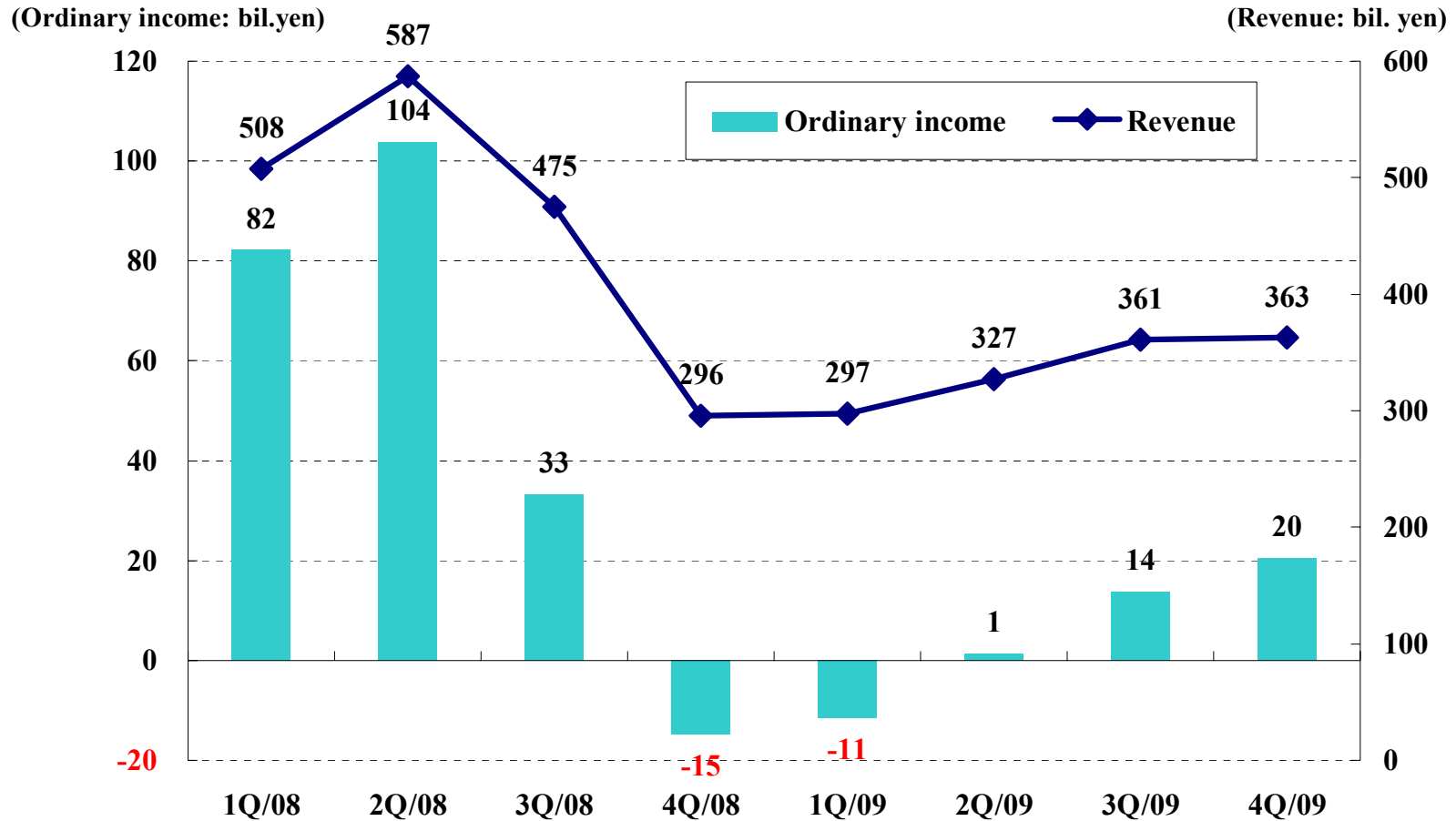
Containerships (+ ¥61.9 billion)

Large improvement in profits is expected through an overall recovery in cargo movement and freight rate, together with cost reduction of ¥22 billion (including effects of reduced fuel oil consumption by enforcing slow steaming operation) → Leading to black ink

[Dividend]

Plan to pay ¥10 per share full-year dividend (=¥5 interim dividend and ¥5 year-end dividend).

Quarterly Profit and Loss Transition [Consolidated]



Average exchange rate(¥/\$)	101.74	108.08	100.71	90.66	97.21	94.85	90.40	90.55
Average bunker price(\$/MT)	560	651	508	340	313	394	445	474
Capesize market(\$/day)	176,276	118,166	10,003	23,070	46,105	45,004	55,500	34,164

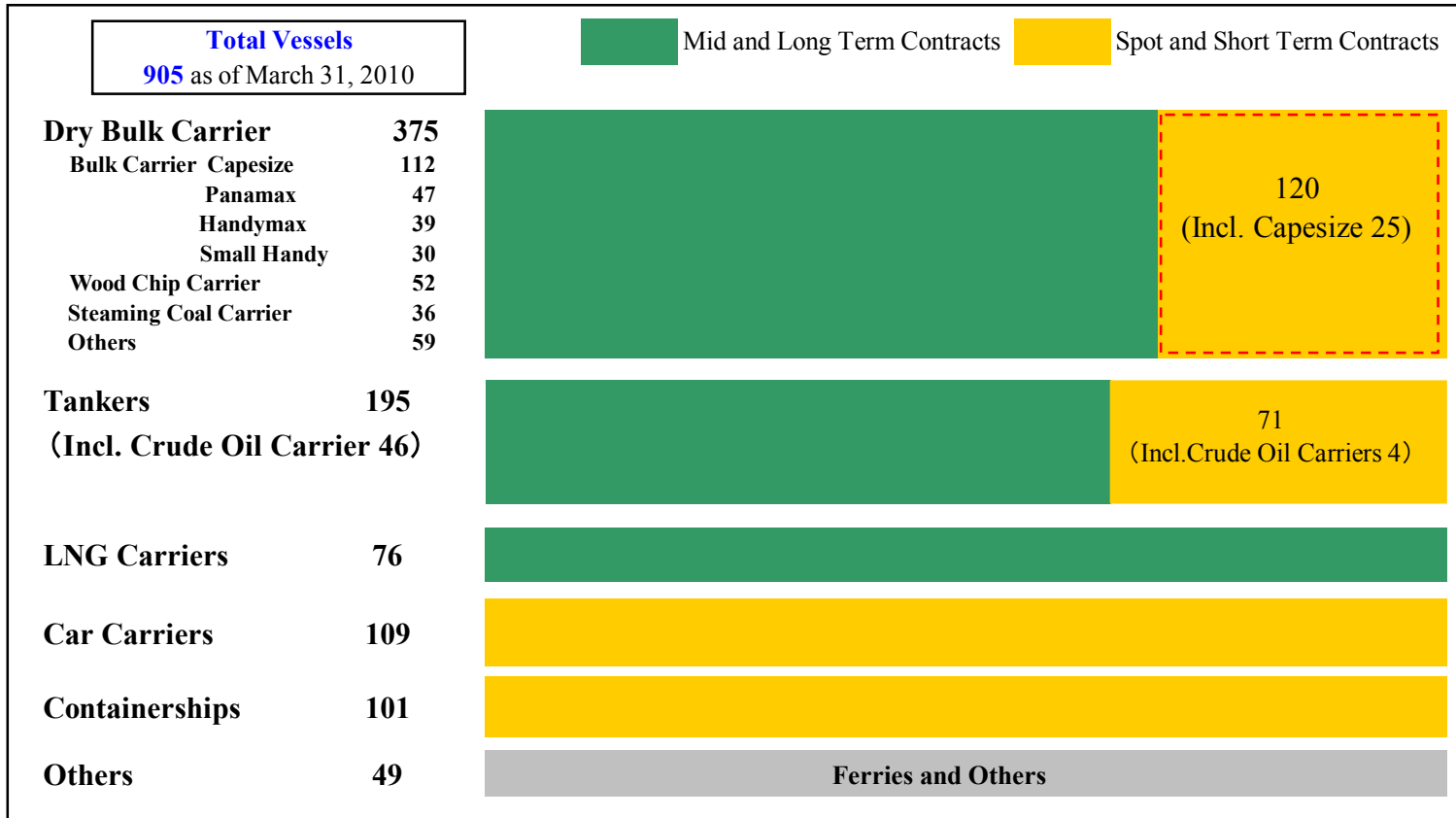
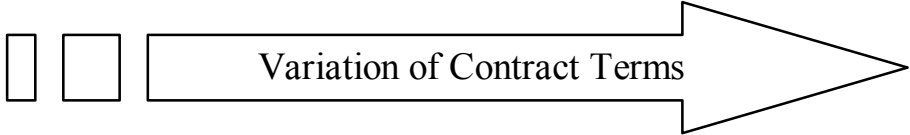
Fleet Composition

			At the end of Mar. 2010		At the end of Sept. 2009	At the end of Mar. 2009
			No. of vessels	1,000dwt	No. of vessels	No. of vessels
Dry bulker	Bulk carrier	Cape size	112	20,568	109	102
		Panamax	47	3,670	46	47
		Handymax	39	2,091	39	33
		Handy	30	906	34	35
	Heavy lifter	7	88	8	8	
	Wood chip carrier	52	2,583	49	48	
	Steaming coal carrier	36	3,134	36	37	
	General cargo carrier	52	687	43	46	
	(Sub total)		375	33,728	364	356
Tanker	Crude oil tanker	46	12,331	47	42	
	Product tanker	51	2,983	56	49	
	Chemical tanker	85	2,190	78	78	
	LPG tanker	13	623	10	9	
	(Sub total)		195	18,128	191	178
LNG carrier		76	5,785	72	72	
Car carrier		*109	1,652	*107	89	
Containership		101	4,856	105	115	
Ferry/Domestic carrier		44	161	48	46	
Cruise ship		2	9	2	2	
Others		3	19	3	3	
Total		905	64,337	892	861	

Note) Including spot-chartered ships and those owned by joint ventures

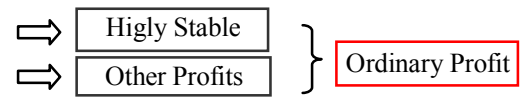
* Including vessels added by Nissan Motor Car Carrier, newly consolidated in FY2009 2nd Quarter

Fleet Portfolio



BDI

Profits from Mid and Long Term Contracts+Associated Business(Real Estate etc.) + The Other Businesses
 Profits from Spot and Short Term Contracts(up to 1year) + Car Carrier, Containership, and Ferry Business



Market Information (Drybulker)

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

Size	Route	FY2009					FY Average Actual
		1st Half		2nd Half			
		1Q Actual	2Q Actual	3Q Actual	4Q 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 (Forecast) (US\$)

Size	FY2010		
	<i>1st Half</i>	<i>2nd Half</i>	<i>Total</i>
	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
Capesize	<i>40,000</i>	<i>40,000</i>	<i>40,000</i>
Panamax	<i>30,000</i>	<i>24,000</i>	<i>27,000</i>
Handymax	<i>25,000</i>	<i>21,000</i>	<i>23,000</i>
Small handy	<i>18,000</i>	<i>16,000</i>	<i>17,000</i>

Notes :“Actual” and “Forecast” in Market Information (page 12 & page 13)

“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 (Actual Only)	FY2009				
		1st Half		2nd Half		FY Average Actual
		1Q Actual	2Q Actual	3Q Actual	4Q Actual	
Crude Oil Tanker (VLCC)	Arabian Gulf/ Far East	32	35	47	62(*1)	44(*2)
Product Tanker (MR)	Singapore/ Far East	80(*3)	119	161(*4)	150(*5)	128

Source for actual: Drewry "Shipping Insight"

*1,*2: Shown at WS criteria of Year 2009.

*3: This figure is average for Apr. and May, 2009. The figure for June is not available.

*4: This figure is average for Oct. and Dec., 2009. The data for Nov. is not available.

*5: This figure is average for Jan. and Feb., 2010. The data for Mar. is not available.

2. FY2010 Tanker market (Forecast) (WS)

Type	Route	FY2010		
		1st Half	2nd Half	Total
		Forecast	Forecast	Forecast
Crude Oil Tanker (VLCC)	Arabian Gulf/ Far East	90	78	84

Notes: WS shown at criteria of year 2010.

Car Carriers Loading Results

(1000 units)

(Voyage Completion basis; including voyage charter)	FY2010-1H	FY2009			FY2008	Increase/ decrease (A)-(B)
	Forecast	1st Half	2nd Half	Yearly result (A)	Yearly result (B)	
Total	1,569	958	1,563	2,521	2,552	△31

*FY2009 and FY2010 including Nissan Motor Car Carrier Co., Ltd.

Major Containership Trades Utilization and Freight Index

Asia-North America Trade (TPS)

(unit: 1000TEU)

		FY2008					FY2009				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Outbound (E/B)	Capacity	152	158	141	116	567	125	128	128	115	496
	Lifting	125	148	125	100	498	103	117	120	109	450
	Utilization	82%	94%	89%	86%	88%	83%	92%	94%	95%	91%
Inbound (W/B)	Capacity	148	155	144	116	563	120	128	129	118	495
	Lifting	87	97	82	75	341	85	86	94	88	352
	Utilization	59%	62%	57%	64%	61%	71%	67%	73%	74%	71%

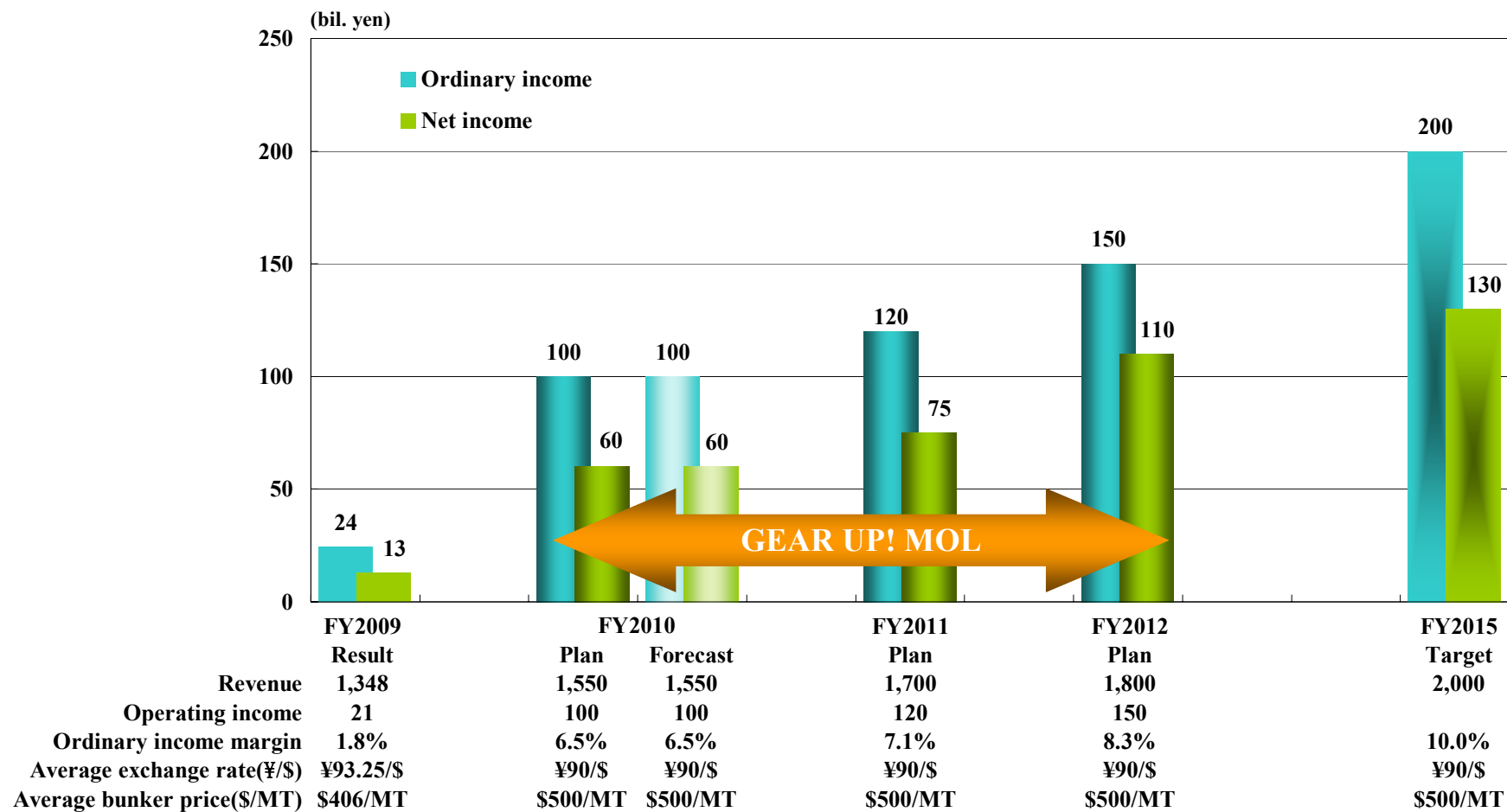
Asia-Europe Trade

		FY2008					FY2009				
		1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Outbound (W/B)	Capacity	129	134	110	95	467	88	77	85	84	334
	Lifting	121	125	106	86	438	67	78	87	85	317
	Utilization	94%	94%	96%	91%	94%	76%	101%	102%	101%	95%
Inbound (E/B)	Capacity	127	132	115	100	474	89	85	89	87	350
	Lifting	68	67	65	55	255	53	54	60	59	226
	Utilization	53%	51%	56%	55%	54%	60%	64%	68%	68%	65%

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

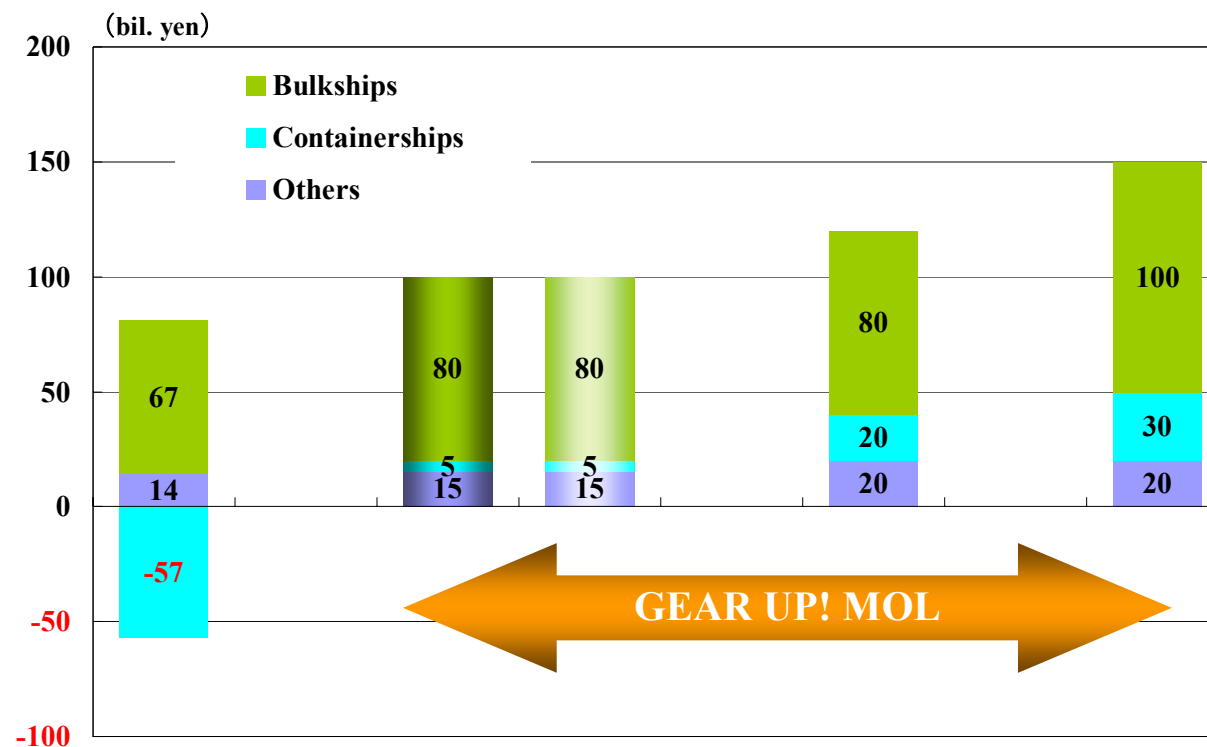
	FY2008				FY2009			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
All Trades (Average)	100	103	95	77	70	69	76	86

“GEAR UP! MOL” Overall Profit Plan



FY2010 Exchange rate sensitivity: ± 2 bil yen/1¥(max)
 FY2010 Bunker sensitivity: ± 0.2 bil yen/1\$(max)
 (Consolidated ordinary income basis)

Ordinary Income by Segments

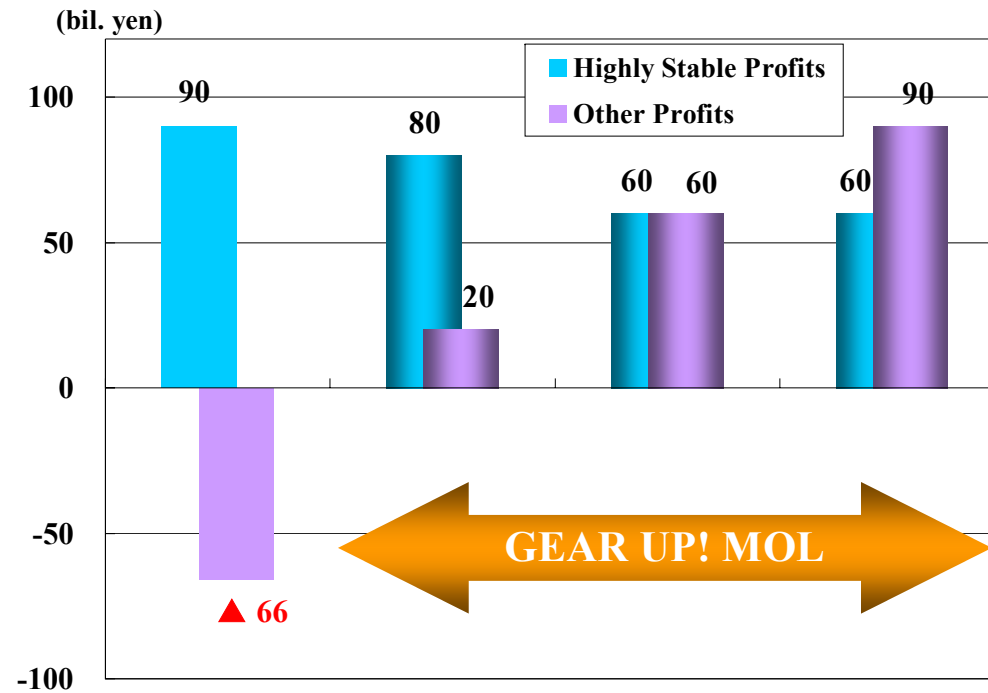


	FY2009	FY2010		FY2011	FY2012
	Result	Plan	Forecast	Plan	Plan
Ordinary income	24	100	100	120	150
Average exchange rate(¥/\$)	¥93.25/\$	¥90/\$	¥90/\$	¥90/\$	¥90/\$
Average bunker price(\$/MT)	\$406/MT	\$500/MT	\$500/MT	\$500/MT	\$500/MT

Market assumption (For plans)		FY2010	FY2011	FY2011
Drybulker	Capesize	40,000	35,000	35,000
	Panamax	24,000	20,000	20,000
	Handymax	21,000	17,000	17,000
	Small Handy	16,000	12,000	12,000
Tanker	VLCC	78	78	76

Drybulker: \$/day, VLCC: World Scale(WS)

Highly Stable Profit



	FY2009 Result	FY2010 Forecast	FY2011 Plan	FY2012 Plan
Ordinary income(bil. yen)	24	100	120	150
Average exchange rate(¥/\$)	¥93.25/\$	¥90/\$	¥90/\$	¥90/\$
Average bunker price(\$/MT)	\$406/MT	\$500/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.)

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

Fleet Expansion Plan

		GEAR UP! MOL (FY2010- FY2012)				(FY2013 - FY2015)		
		Ships to join MOL fleet				Fleet scale at the end of March 2013 (Plan)	Ships to join MOL fleet (Plan)	Fleet scale at the end of March 2016 (Target)
		FY2010	FY2011	FY2012	FY2010 - FY2012		FY2013 - FY2015	
	Fleet scale at the end of March 2010 (Result)							
Bulkships	Fleet Scale					890		1,025
	New vessel launching	66	51	36	153		140	
Dry Bulkers	Fleet Scale					450		
	New vessel launching	26	26	24	76			
Tankers	Fleet Scale					220		
	New vessel launching	23	9	6	38			
LNG Carrier	Fleet Scale					75		
	New vessel launching	3	2	1	6			
Car Carriers	Fleet Scale					145		
	New vessel launching	14	14	5	33			
Containerships	Fleet Scale					110		120
	New vessel launching	9	14	5	28		12	
Others	Fleet Scale					50		55
	New vessel launching	3	3	3	9		8	
Total	Fleet Scale					1,050		1,200
	New vessel launching	78	68	44	190		160	

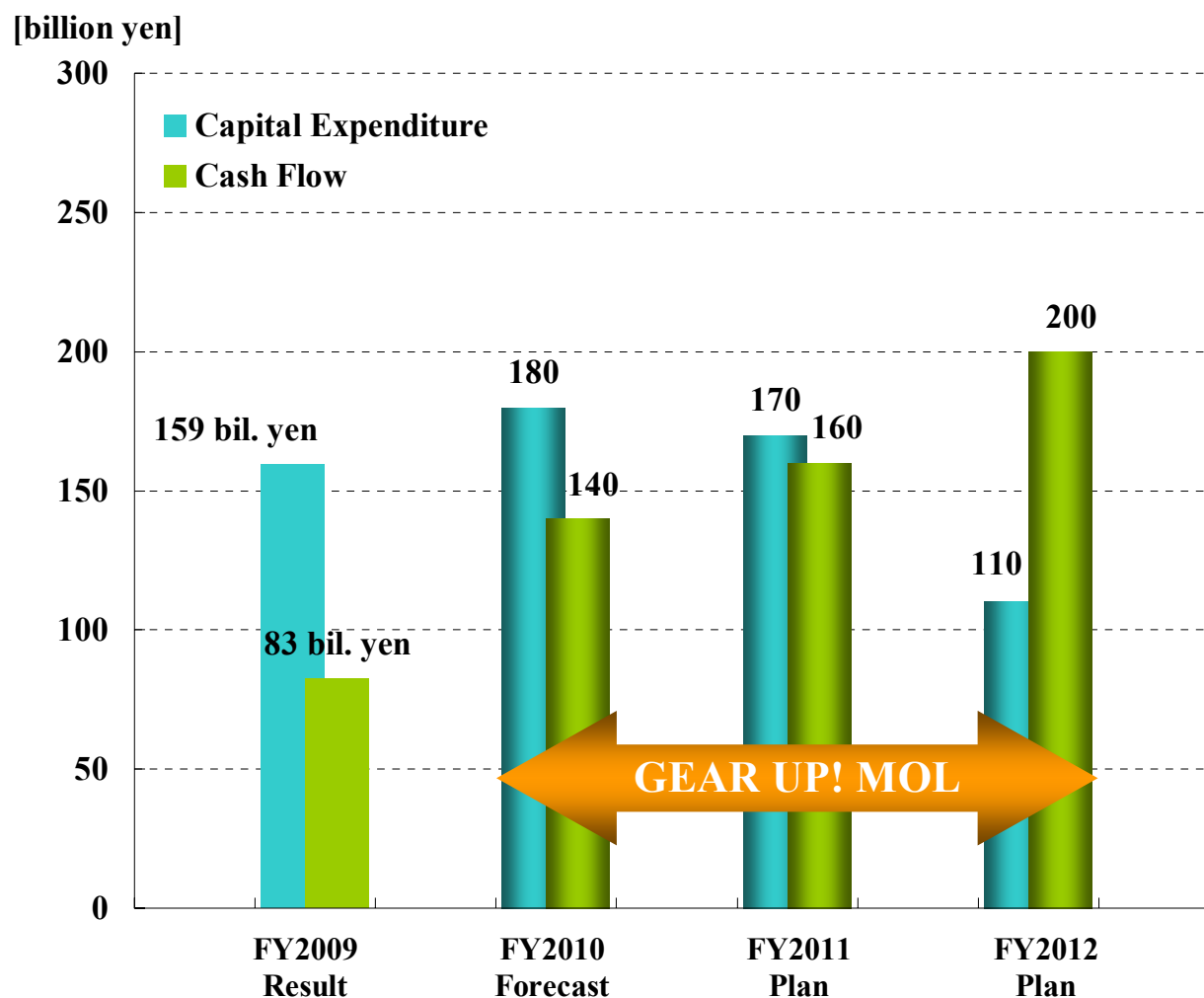
Notes: 1)Fleet scale at the end of fiscal years includes short-term chartered ships (less than 5 years) and those owned by joint ventures.

2)New vessel launching to join MOL fleet do not include short-term chartered ships (less than 5years), but include those owned by joint

Ships' Value
1,200 bil yen

Ships' Value
900 bil yen

Cash Flows & Capital Expenditure

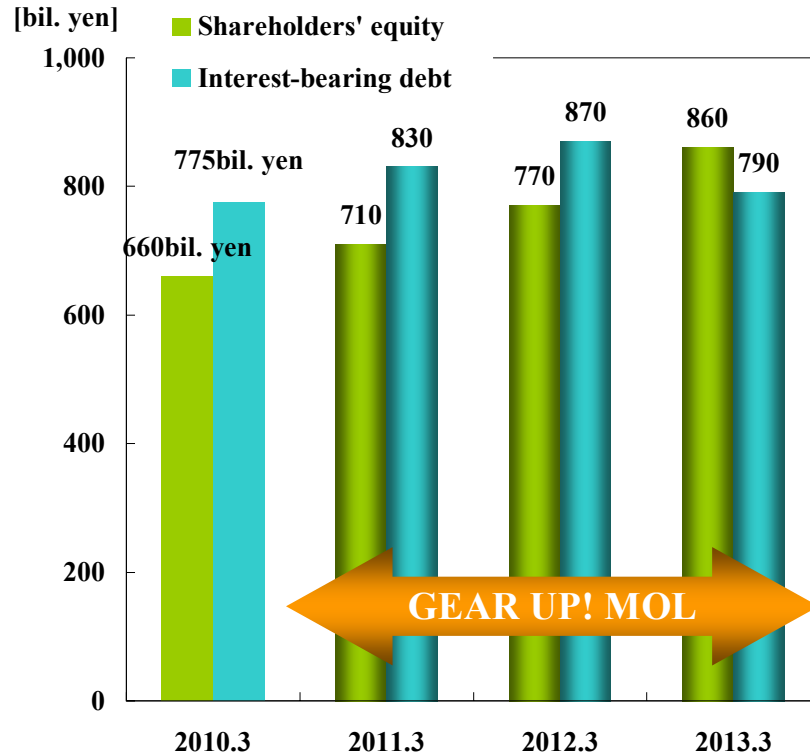


Average exchange rate(¥/\$)	93.25	90	90	90
Depreciation (billion yen)	88	90	99	109
Dividend paid (billion yen)	19	10	14	19

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

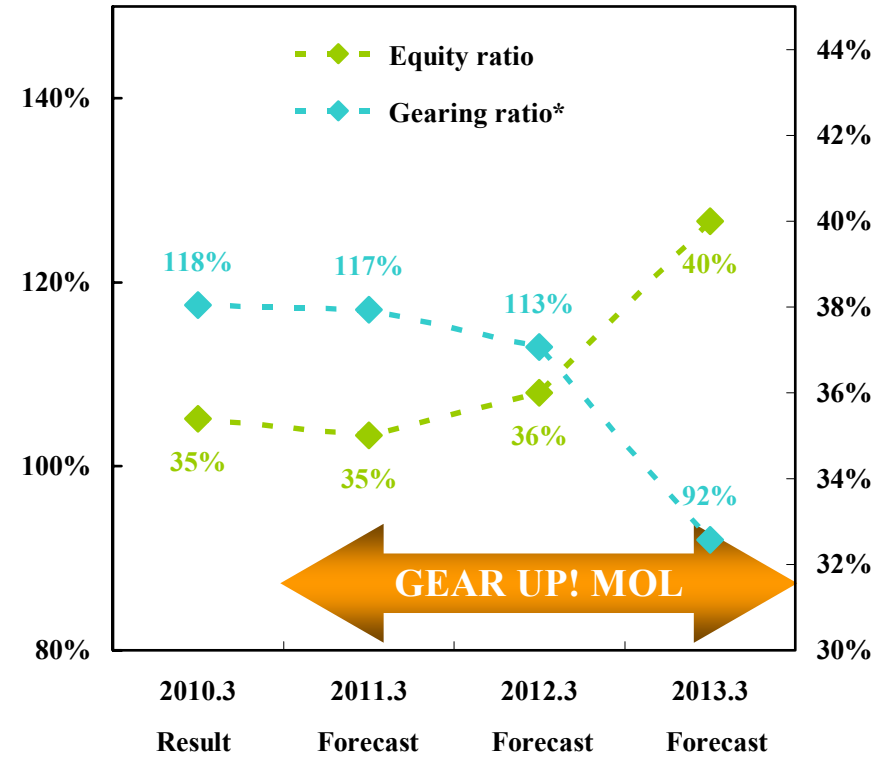
(*) Assumption=Payout ratio 20% (Forecast/Plans)

Financial Plan



Gearing ratio

Equity ratio



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

Equity ratio = Shareholders' equity/Total Assets

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