



SINCE 1884
130th
Anniversary

Business Performance **in** **FY2013-3rd Quarter**

Mitsui O.S.K. Lines, Ltd.

January 2014

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FY2013 3rd Quarter Results [Consolidated]

(billion yen)	FY2013				FY2012				Increase/decrease	
	1Q Result	2Q Result	3Q Result	Apr.-Dec.	1Q Result	2Q Result	3Q Result	Apr.-Dec.		
Revenue	412	433	430	1,275	379	378	363	1,119	156	14%
Operating income/loss	11	10	8	30	-1	-2	-9	-11	41	-
Ordinary income/loss	15	10	11	37	-2	-5	-9	-16	53	-
Net income/loss	13	8	8	30	-5	-8	-46	-59	88	-

Average exchange rate	¥98.81/\$	¥97.86/\$	¥99.19/\$	¥98.62/\$	¥81.34/\$	¥79.03/\$	¥79.85/\$	¥80.07/\$	+¥18.55/\$
Average bunker price	\$606/MT	\$609/MT	\$613/MT	\$612/MT	\$695/MT	\$667/MT	\$658/MT	\$673/MT	-\$61/MT

FY	April	-	March
1Q	April	-	June
2Q	July	-	September
3Q	October	-	December
4Q	January	-	March

■ Results Comparison ; Major factors affected Ordinary income/loss

FY2013-3Q(Nine months) vs FY2012-3Q(Nine months)

Fluctuation of Foreign Exchange	+¥27.8 bil.	FY13 ¥98.62/\$; +¥18.55/\$
Fluctuation of Bunker Price	+¥8.2 bil.	FY13 \$612/MT; -\$61/MT
Fluctuation of Cargo Volume/Freight Rates/Others	-¥9.7 bil.	incl. + ¥30 billion by the Business Structural Reforms and + ¥7.6 billion by the depreciation period extension
Cost Reduction	+¥25.0 bil.	
Equity in earnings of affiliated companies	+¥1.4 bil.	
(Balance)	+¥52.7 bil.	

[By segment]

	Upper		Revenue		Lower		Ordinary income/loss			
(billion yen)	FY2013				FY2012				Increase/decrease	
	1Q Result	2Q Result	3Q Result	Apr.-Dec.	1Q Result	2Q Result	3Q Result	Apr.-Dec.		
Bulkships	194	206	209	609	189	180	173	542	67	12%
	13	11	14	38	-2	-9	-7	-18	56	-
Containerships	175	181	176	532	148	155	146	449	83	18%
	-1	-3	-7	-11	-2	0	-7	-10	-1	-
Ferry& domestic transport	13	14	14	42	13	15	14	42	0	1%
	0	1	1	2	0	1	1	2	0	27%
Associated businesses	28	30	29	87	27	27	28	81	6	7%
	3	3	3	9	3	3	3	9	0	2%
Others	2	2	2	6	2	2	2	5	0	6%
	2	0	2	4	1	0	1	2	2	128%
Adjustment	-	-	-	-	-	-	-	-	-	-
	-1	-3	-1	-5	0	-1	1	0	-5	-
Consolidated	412	433	430	1,275	379	378	363	1,119	156	14%
	15	10	11	37	-2	-5	-9	-16	53	-

● Revenues from customers, unconsolidated subsidiaries and affiliated companies

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

● The Associated businesses segment includes the businesses related to real estate, cruise ships, tug boats, trading, and temporary staffing, etc.

Outline of FY2013 3Q Financial Results (I) [Consolidated]

[Overall]

- ◆ Profits both for the third quarter (three months) and the first nine months improved significantly year-on-year.
 - ← • Enhanced fleet cost competitiveness through Business Structural Reforms, & Reduced costs at different stages
 - Weaker yen, decline in bunker prices, and improvement in shipping market especially for dry bulkers.
- ◆ Bulkships, ferry and domestic transport, and associated businesses have shown steady progress as anticipated since the previous announcement (Oct. 31). The containership business experienced difficulties such as freight rates did not reach to the assumed levels.

[By segment] [Ordinary income for FY2013 1-3Q (9 months) (year-on-year comparison)]

Bulkships [¥37.7 billion (+¥55.9 billion)]

■ Dry bulkers:

- The market: Recovered to a much higher level than the same period of the previous year since 2Q (July-September). Continually grew in 3Q, maintaining the level almost as anticipated in average of Oct.-Dec.

[US\$/day]	Oct.-Dec. 2013 Assumption	Oct.-Dec. 2013 Actual	Oct.-Dec. 2012
Capesize	27,000	27,100	13,000
Panamax	14,000	14,200	6,600
Handymax	10,000	14,000	7,600
Small Handy	8,500	10,000	6,400

- ← [Large-size (Capesize)] Robust trade of iron ore + reduction in newly launched vessels
 [Mid- and small-size (Panamax or smaller)] Active trade of grain, coal, etc.

- Continued to secure stable profits through long-term transport contracts (iron ore, coal, and woodchip carriers, and so on)
 - Free vessels: Subsidiaries* in Singapore played good roles to acquire profitable cargoes with competitive fleet.
- * Business performance for Oct.-Dec. of the subsidiaries in Singapore will be recorded with 4Q consolidated financial results.

➔ Profits increased significantly.

Outline of FY2013 3Q Financial Results (II) [Consolidated]

■ Tankers:

[VLCCs] Profitability decreased as market slowed down after June, even though the market level increased more than anticipated due to rising winter demand for crude oil starting around November.

[Product tankers] Market's nine-month average level remained higher than the same period of the previous year, and losses shrank, although the market did not show the anticipated increase in the winter season.

[Chemical tankers] Enhanced business activities and operation in Singapore, resulting in an increase in profitability.

[LPG carriers] Strong market conditions continued.

➔ Also backed by continued efforts to enhance operation efficiency, the profitability improved, though the deficit continued.

■ LNG carriers: Continued to secure stable profits, mainly from long-term contracts.

■ Car carriers: Efforts to bolster handling of cross trade and inbound cargo ➔ increased profitability.

Containerships [-¥11 billion (-¥1 billion)]

➤ The demand-supply gap expanded as deliveries of large-scale containerships continued.

⇔ Cost reduction such as slow steaming. Improvement in operational efficiency through G6 Alliance, and endeavor to realize recovery of freight rates.

➤ Average freight rate in 3Q(Oct.-Dec.) became lower than 2Q (Jul.-Sept.), despite continued efforts to recover freight rates while cutting costs by reducing service frequencies in winter season. ➔ Deficits swelled.

Ferry and Domestic Transport [¥1.9 billion (+¥0.4 billion)] Cargo and passenger volumes both increased.

Associated Businesses [¥8.9 billion (+¥0.2 billion)] The real estate business was generally firm.

[**Cost Reduction**] Achieved ¥25.0 billion of the year-end target (entire company) of ¥31.5 billion (80% achieved).

FY2013 Full-year Forecast [Consolidated]

(billion yen)	FY2013							FY2012	Increase/ decrease (a)-(c)
	1st Half Result	2nd Half		FY2013 Forecast (a)	FY2013 Forecast as of Oct.31,2013(b)	Increase/ decrease (a)-(b)	Result (c)		
		3Q Result	4Q Forecast					Forecast	
Revenue	845	430	425	855	1,700	1,700	0	1,509	+191
Operating income/loss	22	8	13	21	43	50	-7	-16	+59
Ordinary income/loss	26	11	18	29	55	60	-5	-29	+84
Net income/loss	21	8	28	36	57	50	+7	-179	+236
Average exchange rate	¥98.34/\$	¥99.19/\$	¥103.00/\$	¥101.10/\$	¥99.72/\$	¥98.17/\$	+¥1.55/\$	¥82.31/\$	+¥17.41/\$
Average bunker price	\$608/MT	\$613/MT	\$620/MT	\$617/MT	\$614/MT	\$614/MT	\$0/MT	\$662/MT	-\$48/MT

cf. FY2012 Result

(billion yen)

FY2012	1st Half Result	2nd Half		FY2012 Result
		3Q Result	4Q Result	
Revenue	757	363	390	1,509
Operating income/loss	-2	-9	-4	-16
Ordinary income/loss	-7	-9	-13	-29
Net income/loss	-13	-46	-120	-179

Average exchange rate	¥80.19/\$	¥79.85/\$	¥89.02/\$	¥84.44/\$	¥82.31/\$
Average bunker price	\$681/MT	\$658/MT	\$631/MT	\$644/MT	\$662/MT

(For reference)

FY2013 Exchange rate sensitivity/3 months

±0.45 bil. ¥/1¥ · 3months (Max)

FY2013 Bunker price sensitivity/3 months

±0.03 bil. ¥/1\$ · 3months (Max)

(Consolidated Ordinary Income Basis)

[By segment]

Upper	Revenue
Lower	Ordinary income/loss

(billion yen)	FY2013							FY2012	Increase/ decrease (a)-(c)
	1st Half Result	2nd Half		FY2013 Forecast (a)	FY2013 Forecast as of Oct.31,2013(b)	Increase/ decrease (a)-(b)	Result (c)		
		3Q Result	4Q Forecast					Forecast	
Bulkships	400	209	201	410	810	810	0	731	+79
	24	14	17	31	55	55	0	-25	+80
Containerships	356	176	182	358	714	714	0	607	+108
	-4	-7	-2	-9	-13	-7	-6	-11	-1
Ferry& domestic transport	28	14	12	26	54	54	0	54	0
	1	1	0	1	2	2	0	1	+1
Associated businesses	58	29	28	57	115	115	0	110	+5
	6	3	2	5	11	11	0	11	0
Others	4	2	2	3	7	7	0	7	0
	2	2	0	3	5	4	+1	2	+2
Adjustment	-	-	-	-	-	-	-	-	-
	-3	-1	0	-2	-5	-5	0	-7	+2
Consolidated	845	430	425	855	1,700	1,700	0	1,509	+191
	26	11	18	29	55	60	-5	-29	+84

● Revenues from customers, unconsolidated subsidiaries and affiliated companies

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

● The Associated businesses segment includes the businesses related to real estate, cruise ships, tug boats, trading, and temporary staffing, etc.

Upper	Revenue
Lower	Ordinary income/loss

cf. FY2012 Result
(billion yen)

	1st Half Result	2nd Half		FY 2012 Result
		3Q Result	4Q Result	
Bulkships	369	173	189	731
	-11	-7	-7	-25
Containerships	303	146	157	607
	-3	-7	-1	-11
Ferry& domestic transport	27	14	13	54
	1	1	0	1
Associated businesses	54	28	28	110
	6	3	2	11
Others	3	2	2	7
	1	1	1	2
Adjustment	-	-	-	-
	-1	1	-7	-7
Consolidated	757	363	390	1,509
	-7	-9	-13	-29

Key Points of FY2013 Full-year Forecast (I)

[Overall]

- ◆ Downward revision of full-year forecast for ordinary income and upward revision of net income from the previous announcement (Oct. 31)

	Previous (Oct. 31)		This Time (Jan. 31)	
Ordinary income	¥60 billion	→	¥55 billion	(-¥5 billion)
Net income	¥50 billion	→	¥57 billion	(+¥7 billion)

* Assumption of exchange rate: 4Q = ¥103/US\$ (previous assumption: ¥98/\$)

Assumption of bunker price : 4Q = US\$620/MT (unchanged from the previous assumption)

- ◆ Revision of full-year ordinary income forecast was due to downward revision of containership business.

Bulkships	¥55 billion	→	¥55 billion	(± 0)
Containerships	-¥7 billion	→	-¥12.5 billion	(-¥5.5 billion)
Other 3 segments + adjustment	¥12 billion	→	¥12.5 billion	(+¥0.5 billion)

- ◆ Full-year net income forecast was revised mainly due to recording a gain on sales of shares in subsidiaries and affiliates in the container terminal business as extraordinary profit.

[By segment] [FY2013 forecast for ordinary income (increase/decrease in ordinary income from the projected figures announced on October 31)]

Bulkships [¥55 billion (±0)]

- Dry bulkers: Made upward revision of 4Q (Jan.-Mar.) market assumption. (US\$12,000/day ⇒ US\$14,000/day)
 ← The market during 4Q will hold steady due to improvement of the fleet demand and supply balance.
- Tankers: Made upward revision of 4Q VLCC market assumption, made downward revision of 4Q product tanker market assumption. (Reflected current conditions.)

Key Points of FY2013 Full-year Forecast (II)

Containerships [-¥12.5 billion (-¥5.5 billion)]

➤ Freight rates: Downward revision of 4Q assumption, reflecting the rate level of the year's end that became lower than the previous assumption. Try to raise the rates from the 3Q level, by executing GRI, etc.* in January and targeting the cargoes of higher calorie.

* Major General Rate Increase (GRI) and Peak Season Surcharge (PSS) in January are as follows:

North America route: GRI \$300/FEU (FEU= Forty-foot Equivalent Unit)

PSS \$300/FEU

Europe route : PSS \$250/TEU (TEU= Twenty-foot Equivalent Unit)

➤ Cost reduction: Execute measures to further reduce costs by additional reductions of service frequencies during the winter season, etc.

[Extraordinary profit]

Transferred 49% share of MOL's wholly owned subsidiary, International Transportation Inc. (a holding company of TraPac L.L.C., the container terminal operation company in the U.S.) to a fund operated by Brookfield Asset Management Inc.

- Objectives: Strategic alliance with Brookfield to enhance and expand container terminal business.

⇒ Plan to record a gain of approximately ¥21.0 billion on sales of securities in 4Q.

⇒ Anticipate full-year extraordinary profit of ¥15 billion, assuming possible execution of measures for the future.

[Dividend] Plan to execute ¥5 per share for the full-year dividend (interim ¥2 = already paid + year-end ¥3), just as stated on October 31, 2013.

[Supplement]

Dry Bulker Market (Spot Charter Rate)

1. FY2012 (Result)

(US\$/day)

Size	Route	FY2012				
		Q1	Q2	Q3	Q4	Full-year
Capesize	4TC Average	6,100	4,800	13,000	6,100	7,500
Panamax	4TC Average	9,600	6,600	6,600	7,100	7,500
Handymax	5TC Average	11,200	10,300	7,600	8,100	9,300
Small handy	6TC Average	9,200	8,000	6,400	6,900	7,600

Note: General market results

2. FY2013 (Result / Forecast)

(US\$/day)

Size	Route	FY2013				
		Q1	Q2	Q3	Q4	Full-year
Market for vessels operated by MOL		Apr-Jun, 2013	Jul-Sep	Oct-Dec	Jan-Mar, 2014	Average
Capesize	4TC Average	6,200	19,000	27,100	14,000	16,600
Market for vessels operated by overseas subsidiaries of MOL		Jan-Mar, 2013	Apr-Jun	Jul-Sep	Oct-Dec	Average
Capesize	4TC Average	6,100	6,200	19,000	27,100	14,600
Panamax	4TC Average	7,100	7,800	8,900	14,200	9,500
Handymax	5TC Average	8,100	9,300	9,800	14,000	10,300
Small handy	6TC Average	6,900	8,000	7,900	10,000	8,200

Notes;

- The general market results are shown in black.
- The forecasts are shown in blue. These are referential charter rates for estimating P/L of free vessels that operates on spot contracts (contract period of less than one year). In case rates have already been agreed, however, such agreed rates are reflected on P/L estimation of the relevant voyages.
- Market for vessels operated by our overseas subsidiaries is shown on Calendar year basis (Jan-Dec), because their fiscal year ends in Dec. and thus their P/L are consolidated three months later.

Tanker Market (World Scale)

1. FY2012 (Result)

Type	WS criteria	FY2012				
		Q1	Q2	Q3	Q4	Full-year
Crude Oil Tanker (VLCC)	Year 2012	55	36	43	38	43
【Arabian Gulf - East】	(Year 2013)	(50)	(33)	(39)	(35)	(39)
Product Tanker (MR)	Year 2012	125	123	151	155	138
【Singapore - Japan】	(Year 2013)	(115)	(113)	(138)	(142)	(127)

Note; General market results

2. FY2013 (Result / Forecast)

Type	WS criteria	FY2013				
		Q1	Q2	Q3	Q4	Full-year
Crude Oil Tanker (VLCC)	Year 2013	37	36	53	47	43
【Arabian Gulf - East】	(Year 2014)	(40)	(38)	(57)	(50)	(46)
Product Tanker (MR)	Year 2013	139	114	116		
【Singapore - Japan】	(Year 2014)	(148)	(121)	(123)		

Notes;

1. The general market results are shown in black .
2. The forecasts are shown in blue. These are referential WS for estimating P/L of free vessels that operates on spot contracts (contract period of less than one year). In case rates have already been agreed, however, such agreed rates are reflected on P/L estimation of the relevant voyages.

Car Carrier Loading Volume

1. FY2012(Result)

(1,000 units)

(Completed-voyage basis / including voyage charter)	FY2012						
	1st Half			2nd Half			Total Result
	Q1	Q2		Q3	Q4		
Total	1,004	977	1,981	972	956	1,928	3,908

2. FY2013(Result / Forecast)

(1,000 units)

(Completed-voyage basis / including voyage charter)	FY2013						
	1st Half			2nd Half			Total Forecast
	Q1	Q2	Result	Q3	Q4 Forecast	Forecast	
Total	957	979	1,936	1,004	964	1,968	3,903

Containership Major Trades Utilization / Freight Rate

1. Utilization of Asia-North America Trade

(1,000TEU)

		FY2012					FY2013				
		Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Outbound (E/B)	Capacity	146	164	153	153	617	167	186	167		
	Lifting	136	150	135	141	562	154	181	157		
	Utilization	93%	91%	88%	92%	91%	92%	97%	94%		
Inbound (W/B)	Capacity	137	160	156	153	606	164	183	169		
	Lifting	84	85	93	101	363	88	82	102		
	Utilization	61%	53%	59%	66%	60%	54%	45%	60%		

2. Utilization of Asia-Europe Trade

(1,000TEU)

		FY2012					FY2013				
		Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Outbound (W/B)	Capacity	108	126	108	113	455	113	111	108		
	Lifting	97	116	91	103	407	98	109	104		
	Utilization	90%	92%	84%	91%	89%	87%	98%	97%		
Inbound (E/B)	Capacity	107	119	112	108	446	113	108	112		
	Lifting	77	76	73	67	293	75	66	71		
	Utilization	71%	64%	66%	62%	66%	66%	61%	64%		

3. Transition of Container Freight Rate (Index: Q1 FY2008=100)

	FY2012					FY2013				
	Q1	Q2	Q3	Q4	Full-year	Q1	Q2	Q3	Q4	Full-year
Freight rate index	90	91	87	87	89	85	82	79		
(Ref.) Bunker price (US\$/MT)	695	667	658	631	662	606	609	613		

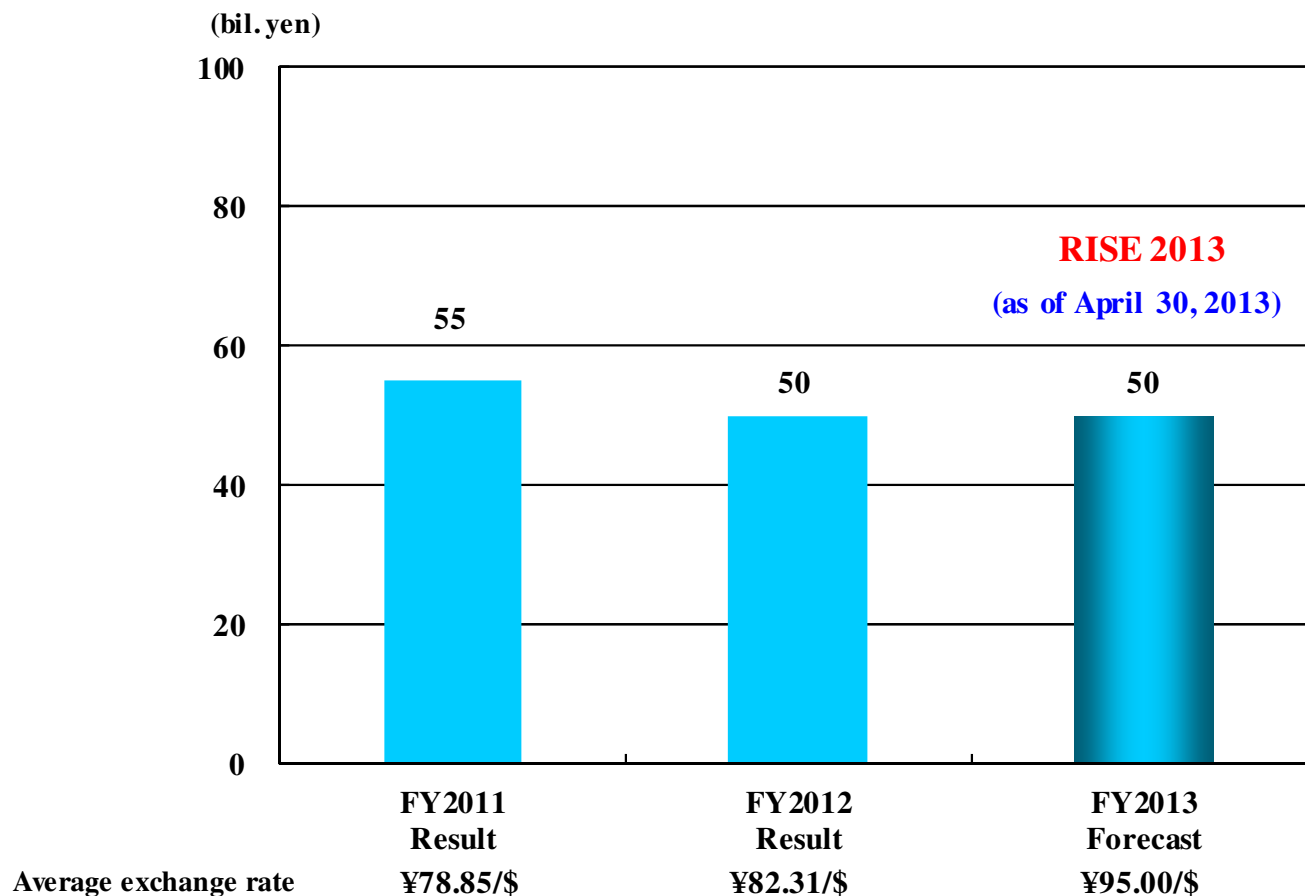
Fleet Composition

			At the end of Mar. 2013	At the end of Dec. 2013		At the end of Mar. 2014(e)
			No. of vessels	No. of vessels	1,000dwt	No. of vessels
Dry bulker	Bulk carrier	Capesize	103	100	19,023	
		Panamax	38	33	2,776	
		Handymax	68	67	3,702	
		Small Handy	52	55	1,836	
	Heavy lifter	6	6	74		
	Wood chip carrier	44	41	2,166		
	Steaming coal carrier	41	39	3,499		
	General cargo carrier	52	47	786		
	(Sub total)		404	388	33,861	382
	(Free Tonnage)	(159)	(117)	-	(104)	
Tanker	Crude oil tanker	47	39	10,974		
	Product tanker	61	60	3,469		
	Chemical tanker	75	73	2,035		
	LPG tanker	11	11	573		
	(Sub total)	194	183	17,051	180	
	(Free Tonnage)	(74)	(64)	-	(59)	
LNG carrier		69	68	5,259	67	
Car carrier		127	126	2,038	123	
Containership		115	115	6,742	115	
Ferry/Domestic carrier		44	41	161		
Cruise ship		2	1	5	44	
Others		3	2	13		
Total		958	924	65,130	911	

Note 1) Including spot-chartered ships and those owned by joint ventures

Note 2) (e)=estimate

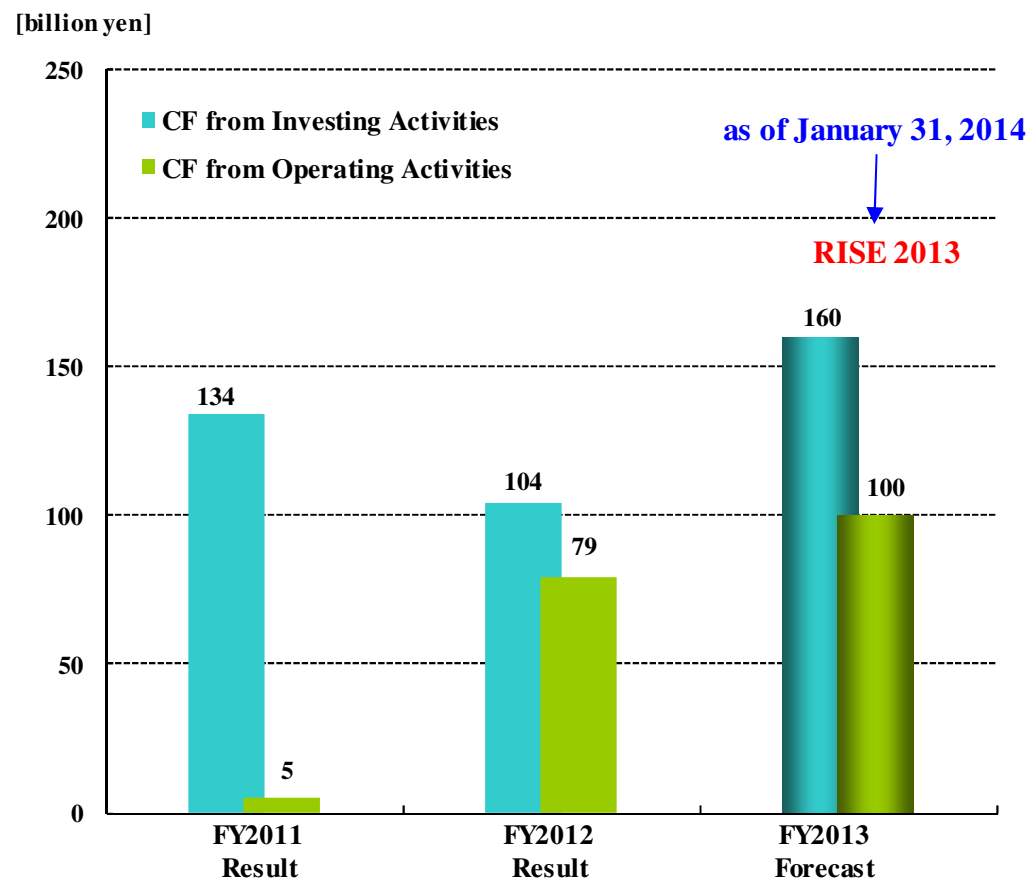
Highly Stable Profits



Highly stable profits = Firm profits through middle and long-term contracts and projected profit from highly stable businesses.

(The segments included in "Highly stable profits" are Drybulk Carrier Division, Tanker Division, LNG Carrier Division, Associated business and other business.)

Cash Flows

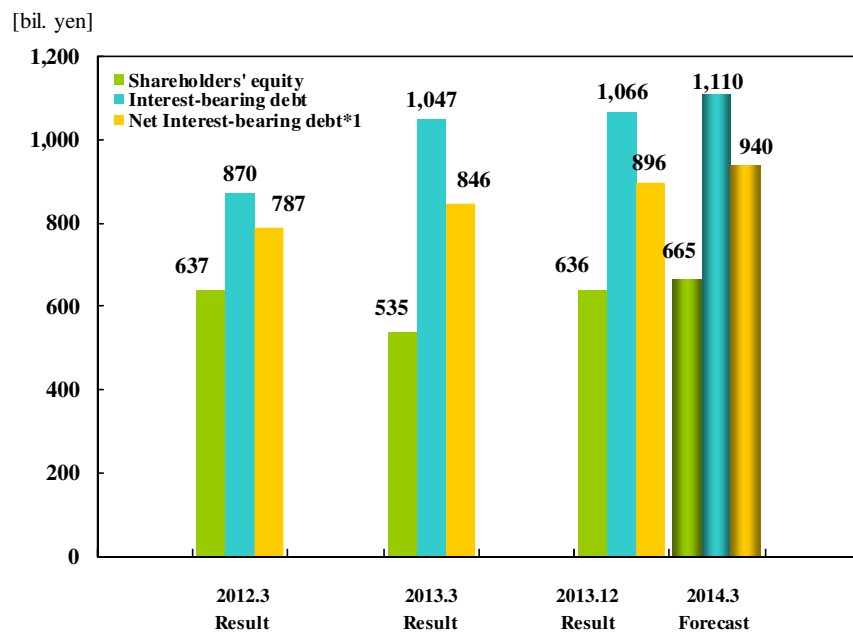


Average exchange rate(¥/\$)	78.85	82.31	99.72
Ordinary income/loss(billion yen)	-24	-29	55
Net income/loss(billion yen)	-26	-179	57

Note:

- 1) Free Cash Flows(FCF) = "Cash Flows from Investing Activities" - "Cash Flows from Operating Activities"
- 2) Figures taking into account the FCF and Dividend payments correlate with changes of Net Interest-bearing Debt (on the assumption exchange rate has no changes in the period) (cf. The left graph of page 17)

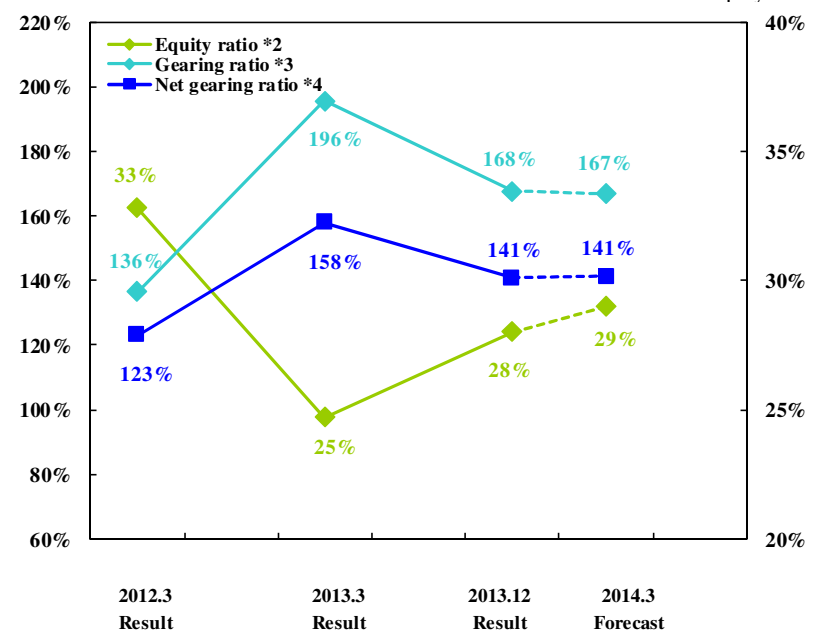
Financial Plan



Term-end exchange rate(¥/\$)	2012.3 Result	2013.3 Result	as of January 31, 2014	
MOL	82.19	94.05	105.39	103.00
Overseas subsidiaries	77.74	86.58	97.75	105.39

*1) Net Interest bearing debt = Interest bearing debt - cash and cash equivalents

Gearing ratio/Net gearing ratio



*2) Equity ratio = Shareholders' equity/Total Assets

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

*4) Net gearing ratio

= (Interest bearing debt-cash and cash equivalents)/Shareholders' equity