



Business Performance
in
FY2013-2nd Quarter

Mitsui O.S.K. Lines, Ltd.

October 2013

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[Supplement]

FY2013 2nd Quarter Results [Consolidated]

(billion yen)	FY2013			FY2012	Increase/ decrease	1H Forecast as of 8/9/13	Increase/ decrease
	1Q Result	2Q Result	1H Result	1H Result			
Revenue	412	433	845	757	+88	840	+5
Operating income/loss	11	10	22	-2	+24	25	-3
Ordinary income/loss	15	10	26	-7	+32	25	+1
Net income/loss	13	8	21	-13	+34	20	+1

Average exchange rate	¥98.81/\$	¥97.86/\$	¥98.34/\$	¥80.19/\$	+¥18.15/\$	¥98.41/\$	-¥0.07/\$
Average bunker price	\$606/MT	\$609/MT	\$608/MT	\$681/MT	-\$73/MT	\$613/MT	-\$5/MT

■ Results Comparison FY2013-2Q vs FY2012-2Q Major factors affected Ordinary income/loss

Fluctuation of Foreign Exchange	+¥18.2 bil.	FY13 ¥98.34/\$; +¥18.15/\$
Fluctuation of Bunker Price	+¥6.6 bil.	FY13 \$608/MT; -\$73/MT
Fluctuation of Cargo Volume /Freight Rates, Others.	-¥9.6 bil.	incl. +¥20 bil. by the Business Structural Reforms and +¥5 bil. by the depreciation period extension
Cost Reduction	+¥17.5 bil.	
Equity in Earnings of Affiliated Companies	-¥0.3 bil.	
(Balance)	+¥32.4 bil.	

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

[By segment]

Upper	Revenue
Lower	Ordinary income/loss

(billion yen)	FY2013			FY2012	Increase/ decrease	1H Forecast as of 8/9/13	Increase/ decrease
	1Q Result	2Q Result	1H Result	1H Result			
Bulkships	194	206	400	369	+30	390	+10
	13	11	24	-11	+35	19	+5
Containerships	175	181	356	303	+53	360	-4
	-1	-3	-4	-3	-1	1	-4
Ferry& domestic transport	13	14	28	27	0	28	0
	0	1	1	1	0	1	0
Associated businesses	28	30	58	54	+4	59	-1
	3	3	6	6	0	6	0
Others	2	2	4	3	0	4	0
	2	0	2	1	+1	2	0
Adjustment	-	-	-	-	-	-	-
	-1	-3	-3	-1	-3	-3	-1
Consolidated	412	433	845	757	+88	840	+5
	15	10	26	-7	+32	25	+1

● Revenues from customers, unconsolidated subsidiaries and affiliated companies.

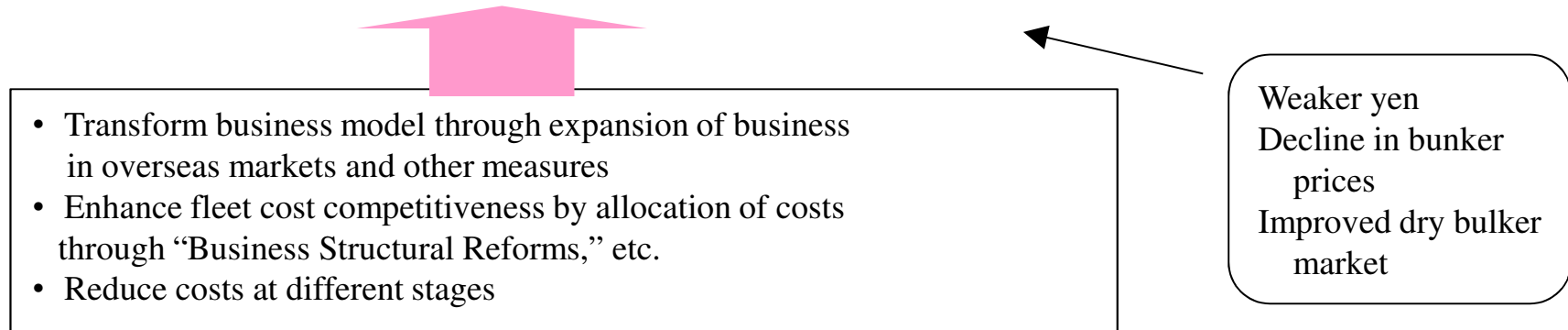
● "Bulkships" consists of Dry bulkers, Tankers, LNG carriers, and Car carriers

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

Outline of FY2013 2nd Quarter Results (I) Consolidated

[Overall]

- ◆ Profits improved significantly year-on-year, achieving higher ordinary income and net income than projections.
- ◆ Moved steadily toward achieving the profit targets in the single-year management plan “RISE2013.”



[By Segment] [Ordinary income for 1H/FY2013 (year-on-year comparison)]

Bulkships [¥23.9 billion (+¥34.9 billion)]

■ Dry bulkers:

- Market for large-scale vessels (Capesize) turned up starting in June, and then showed a rapid increase to a much higher level than the same period of the previous year.
 - ← Mid- and long-term improvement in fleet demand and supply balance + seasonal factors (e.g. recovery of Brazilian iron ore export trade volume)
- Market for mid- and small-scale vessels (Panamax and smaller sizes) remained at almost the same level(*) on average year-on-year even though it showed a gradual upturn by interlocking with the Capesize market.
(* below the level of the same period of the previous year on a consolidated basis. ☞ P10)
- ⇔ • Business with a competitive free fleet in Singapore shifted into high gear.
 - Acquired profitable contracts; continued to scale down market exposure.
 - Continued to secure stable profits through long-term transport contracts for iron ore, coal, and woodchip carriers.
- Segment returned to the black due to large improvement in profitability. (Profit increase exceeded the previous outlook.)

Outline of FY2013 2nd Quarter Results (II) Consolidated

■ Tankers:

[VLCCs] Market recovered due to increased long-distance transportation from May to July, but the fleet demand and supply balance has not been improved significantly and the market remained weak in summer.

Efficient operation by pool could not offset market weakness, resulting in a decrease in profitability.

[Product tankers] The market level remained higher year-on-year, improving profitability.

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

→ The deficit continued despite improved profitability.

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

■ Car carriers: Efforts to enhance efficient operation and bolster handling of cross trade and inbound cargo.

→ increased profitability in ordinary income.

Containerships [-¥3.7 billion (-¥1.1 billion)]

Cargo volume: Asia-North America and North-South routes showed higher performance year on year; Asia-Europe route showed signs of bottoming out after June. → Accelerating recovery of freight rates.

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

→ Freight rates particularly on Asia-Europe and North-South routes largely fell down after August.

→ Deficits increased despite cost reduction efforts and measures to boost operational efficiency (G6 Alliance expanding to North America East Coast, etc.). (Results worsened in comparison with the previous outlook.)

Ferry and Domestic Transport [¥1.2 billion (+¥0.4 billion)]

Cargo and passenger volume both increased.

Associated Businesses [¥5.7 billion (±¥0 billion)]

Firm in general, mainly due to the real estate business.

[**Cost Reduction**] Achieved ¥17.5 billion from the year-end target (entire company) of ¥31.5 billion (55% achieved)

FY2013 Forecast [Consolidated]

(billion yen)	1st Half Result (a)	1H Forecast as of 8/9/13 (b)	(a)-(b)	2nd Half Forecast (c)	2H Forecast as of 8/9/13 (d)	(c)-(d)	FY2013 Forecast (e)	FY2013 Forecast as of 8/9/13 (f)	(e)-(f)
Revenue	845	840	+5	855	860	-5	1,700	1,700	0
Operating income	22	25	-3	28	35	-7	50	60	-10
Ordinary income	26	25	+1	34	35	-1	60	60	0
Net income	21	20	+1	29	30	-1	50	50	0
Average exchange rate	¥98.34/\$	¥98.41/\$	-¥0.07/\$	¥98.00/\$	¥98.00/\$	¥0.00/\$	¥98.17/\$	¥98.20/\$	-¥0.03/\$
Average bunker price	\$608/MT	\$613/MT	-\$5/MT	\$620/MT	\$620/MT	+\$0/MT	\$614/MT	\$616/MT	-\$2/MT

cf. FY2012 Result

(billion yen)

FY2012	1st Half Result	2nd Half Result	FY2012 Result
Revenue	757	752	1,509
Operating income/loss	-2	-13	-16
Ordinary income/loss	-7	-22	-29
Net income/loss	-13	-166	-179

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

(For reference)

FY2013 Exchange rate sensitivity/6 months	±1.00 bil. ¥/1¥ • 6months (Max)
FY2013 Bunker price sensitivity/6 months	±0.09 bil. ¥/1\$ • 6months (Max)
(Consolidated Ordinary Income Basis)	

[By segment]

	Upper		Revenue			FY2013 Forecast (e)	FY2013 Forecast as of 8/9/13 (f)	
	Lower		1st Half Result (a)	1H Forecast as of 8/9/13 (b)	(a)-(b)		2nd Half Forecast (c)	2H Forecast as of 8/9/13 (d)
(billion yen)								
Bulkships			400	390	+10	810	804	+6
			24	19	+5	55	45	+10
Containerships			356	360	-4	714	720	-6
			-4	1	-4	-7	5	-12
Ferry& domestic transport			28	28	0	54	54	0
			1	1	0	2	1	0
Associated businesses			58	59	-1	115	115	0
			6	6	0	11	11	+1
Others			4	4	0	7	7	0
			2	2	0	4	4	+1
Adjustment			-	-	-	-	-	-
			-3	-3	-1	-5	-5	+1
Consolidated			845	840	+5	1,700	1,700	0
			26	25	+1	60	60	0

● 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.

cf. FY2012 Result (billion yen)	Upper		Revenue	
	Lower		1st Half Result	2nd Half Result
Bulkships			369	362
			- 11	- 14
Containerships			303	304
			- 3	- 9
Ferry& domestic transport			27	27
			1	1
Associated businesses			54	56
			6	5
Others			3	4
			1	1
Adjustment			-	-
			- 1	- 6
Consolidated			757	752
			- 7	- 22

Key Points of FY2013 Full-year Forecast (I)

[Overall]

- ◆ Full-year forecasts for ordinary income and net income, which were previously announced on August 9, are unchanged.
- ◆ Only breakdowns by segment are changed due to the improved dry bulker market and current low containership freight rates.

	[Previous (August 9)] 1H/2H/Full-year ordinary income		[This time (October 31)] 1H (results)/2H/Full-year ordinary income
Bulkships	¥19/26/45 billion	⇒	¥23.9 / 31 / 55 billion
Containerships	¥0.5/4.5/5 billion	⇒	¥-3.7 / -3.3 / -7 billion
Total*	¥25/35/60 billion	⇒	¥25.6 / 34.3 / 60 billion

* Total including three other segments and adjustments

- ◆ Outlook for operating income was reduced due to an amendment in allocating a part of foreign exchange income in the FY2013 full-year forecast, etc.

[By segment] FY2013 forecast for ordinary income (increase/decrease in ordinary income from the projected figures announced on August 9)

Bulkships [¥55 billion (+10 billion)]

■ Dry bulkers: Made upward revision of market assumption in comparison with the previous outlook.

- Large-size vessels (Capesize): Will enjoy rapidly rising market, especially after August, during 3Q. The market during 4Q will decline at first due to seasonal factors, but we anticipate an upturn year-on-year thanks to improvement in mid- and long-term demand and supply balance.
- Mid- and small-size vessels (Panamax and smaller): Will benefit from a market that has improved year-on-year especially for Panamax. (← Healthy shipments of grain from North America, increase in loading coal backlog in preparation for high electric power demand during winter season, etc.)

Key Points of FY2013 Full-year Forecast (II)

■ Tankers:

[VLCC/Product tankers] Expecting recovery in demand during winter as in other years.

→ Anticipate that the market will be the same level as the previous outlook.

[LPG carriers] Skyrocketing freight rates due to increased U.S. export volume; decline in winter as in other years is limitative. → Upward revision of the market assumption from the previous outlook.

Containerships [-¥7 billion (-¥12 billion)]

Freight rates: Downward revision of assumption based on the freight rate level early in the second half of the fiscal year, which was lower than previous assumption.

- Expecting further GRI impact on Asia-North America, Asia-Europe, and North-South routes starting in November, seeking to raise rates.

* Major GRI (General Rate Increase) plans scheduled to execute in November are as follows:

Asia-North America route: \$400/FEU (Forty-foot Equivalent Unit)

Asia-Europe route: \$900/TEU (Twenty-foot Equivalent Unit)

Asia-South America East Coast route: \$750/TEU

- Cost reduction: Further reduce service frequencies during the winter season; increased fuel savings will add to total cost reduction.

[Financial index]

- Shareholders' equity recovered to ¥600 billion level at the end of 2Q.
- Continue to improve financial base toward investment (in LNG carriers, marine business, etc.) in order to accumulate stable profits. (projecting equity ratio 28% at the end of the fiscal year.)

[Dividend]

Resumed dividend payments. Plan to pay ¥5 per share for the full-year dividend (interim ¥2 + year-end ¥3).

[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 (Source: The Baltic Exchange)

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	27,000	12,000	16,000
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	27,000	14,600
Panamax	4TC Average	7,100	7,800	8,900	14,000	9,400
Handymax	5TC Average	8,100	9,300	9,800	10,000	9,300
Small handy	6TC Average	6,900	8,000	7,900	8,500	7,800

Notes;

1. The general market results are shown in black (Source: The Baltic Exchange).
2. 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.
3. 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 (Source: The Baltic Exchange)

2. FY2013 (Result / Forecast)

Type	WS criteria	FY2013				
		1st Half		2nd Half	Full-year	
		Q1	Q2			
Crude Oil Tanker (VLCC)	Year 2013	37	36	37	41	39
【Arabian Gulf - East】						
Product Tanker (MR)	Year 2013	139	114	126		
【Singapore - Japan】						

Notes;

1. The general market results are shown in black (Source: The Baltic Exchange).
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			<i>2nd Half</i>		<i>Total Forecast</i>
	Q1	Q2	Result	<i>Forecast</i>		
Total	957	979	1,936	2,001		3,937

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			
	Lifting	136	150	135	141	562	154	181			
	Utilization	93%	91%	88%	92%	91%	92%	97%			
Inbound (W/B)	Capacity	137	160	156	153	606	164	183			
	Lifting	84	85	93	101	363	88	82			
	Utilization	61%	53%	59%	66%	60%	54%	45%			

2. Utilization of Asia-Europe Trade

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

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			
(Ref.) Bunker price (US\$/MT)	695	667	658	631	662	606	609			

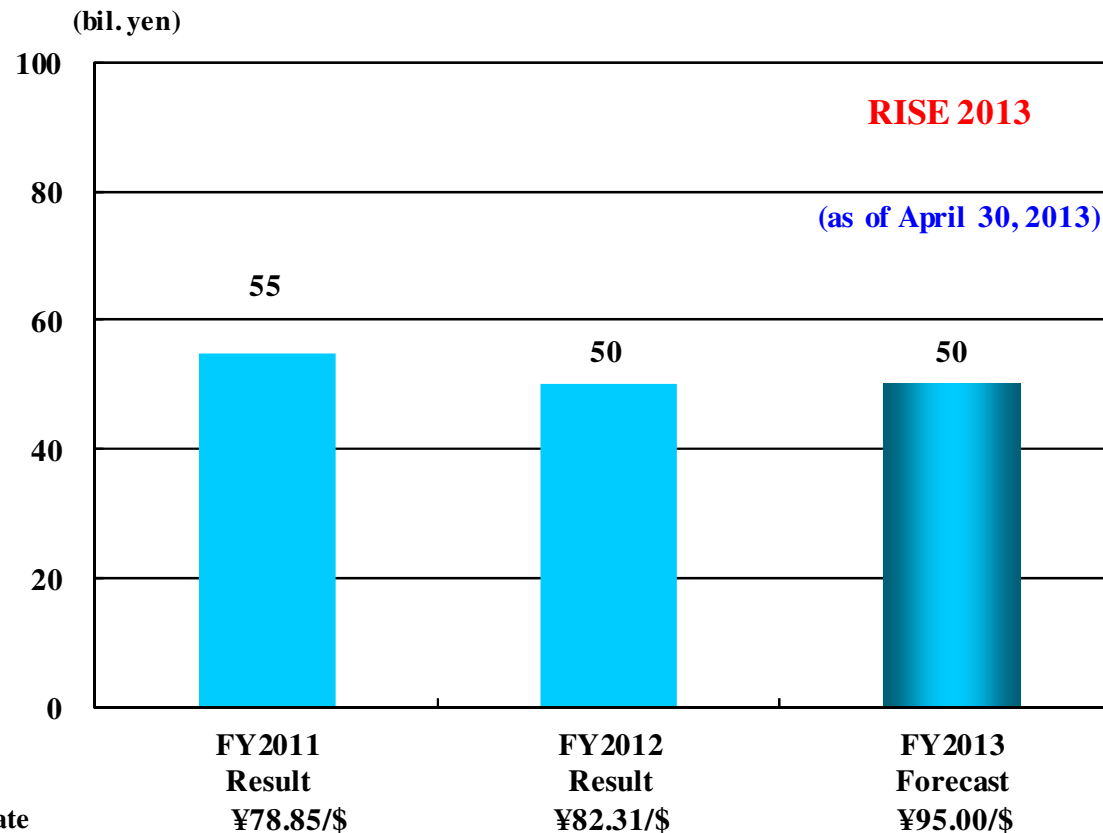
Fleet Composition

			At the end of Sep. 2012	At the end of Mar. 2013	At the end of Sep. 2013		At the end of Mar. 2014(e)
			No. of vessels	No. of vessels	No. of vessels	1,000dwt	No. of vessels
Dry bulker	Bulk carrier	Capesize	106	103	101	19,147	
		Panamax	44	38	32	2,734	
		Handymax	69	68	66	3,670	
		Small Handy	51	52	52	1,745	
	Heavy lifter	6	6	6	74		
	Wood chip carrier	49	44	43	2,039		
	Steaming coal carrier	39	41	39	3,498		
	General cargo carrier	50	52	46	791		
	(Sub total)		414	404	385	33,696	
(Free Tonnage)		(170)	(159)	(134)	-		(113)
Tanker	Crude oil tanker	47	47	40	11,288		
	Product tanker	64	61	62	3,560		
	Chemical tanker	77	75	72	1,988		
	LPG tanker	13	11	11	573		
	(Sub total)		201	194	185	17,409	
(Free Tonnage)		(80)	(74)	(68)	-		(64)
LNG carrier			68	69	68	5,326	67
Car carrier			131	127	127	2,062	122
Containership			116	115	116	6,822	117
Ferry/Domestic carrier			46	44	41	161	
Cruise ship			2	2	2	10	44
Others			3	3	2	13	
Total			981	958	926	65,498	901

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

Note 2) (e)=estimate

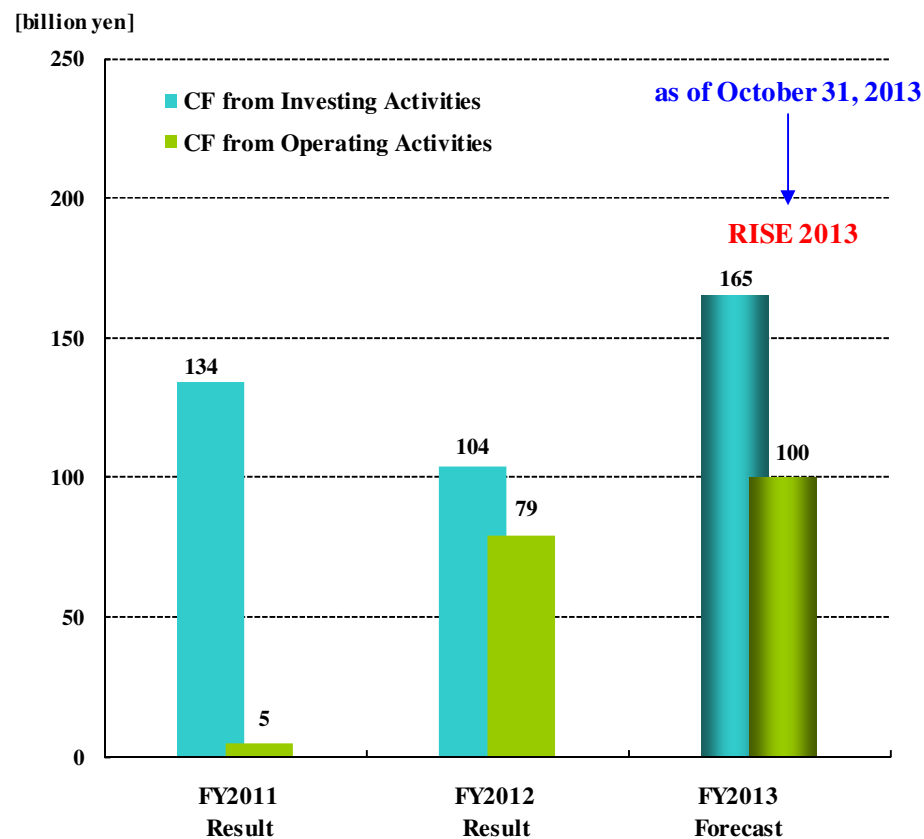
Highly Stable Profits



Highly stable profits = Firm profits through middle and long-term contracts and projected profits 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



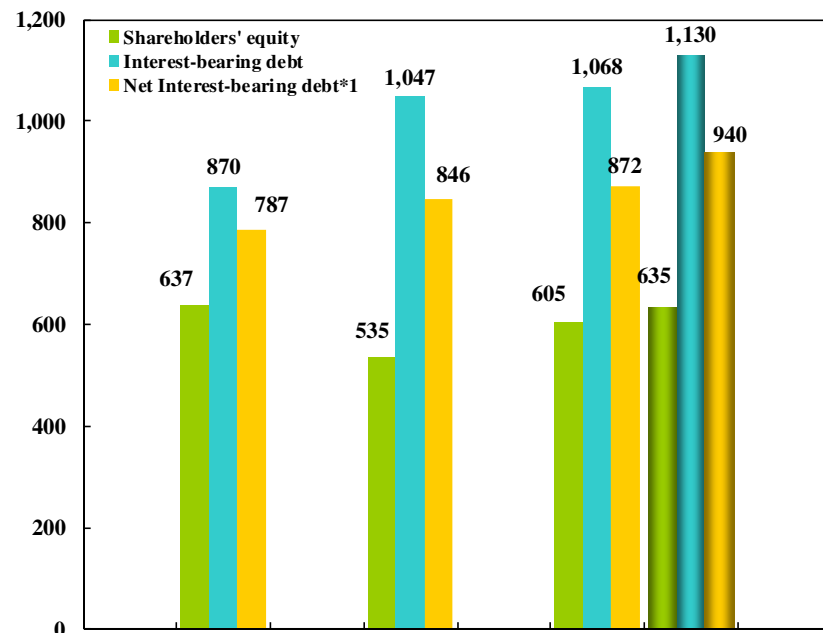
	FY2011 Result	FY2012 Result	FY2013 Forecast
Average exchange rate(¥/\$)	78.85	82.31	98.17
Ordinary income/loss(billion yen)	-24	-29	60
Net income/loss(billion yen)	-26	-179	50

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

[bil. yen]



2012.3 Result 2013.3 Result 2013.9 Result 2014.3 Forecast

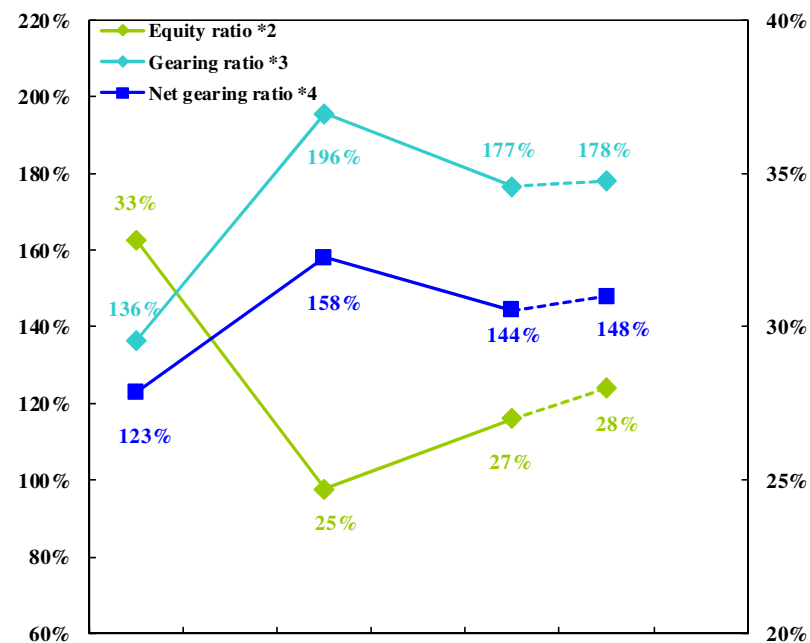
as of October 31, 2013

Term-end exchange rate(¥/\$)	2012.3	2013.3	2013.9	2014.3
MOL	82.19	94.05	97.75	98.00
Overseas subsidiaries	77.74	86.58	98.59	98.00

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

Gearing ratio/Net gearing ratio

Equity ratio



2012.3 Result 2013.3 Result 2013.9 Result 2014.3 Forecast

as of October 31, 2013

*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